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ABSTRACT

Fiscal year 1983 budgets of Indian programs in the Departments of Housing and Urban Development, Education, and Health and Human Services were discussed in the hearing before the Senate Select Committee on Indian Affairs. This hearing, the second in 2 days of hearings, contains testimony from the Office of Indian Education within the Department of Education, the Administration for Native Americans within the Department of Health and Human Services, and the Indian housing program within the Department of Housing and Urban Development. Additionally, testimony is heard from the National Congress of American Indians, National Advisory Council on Indian Education, Navajo Division of Education, Fond du Lac Reservation, Indian and Native American CETA Coalition, and Gila River Indian Community. (AH)

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OVERSIGHT OF BUDGETS OF INDIAN PROGRAMS IN DEPARTMENTS OF HUD, EDUCATION, AND HHS

HEARING

BEFORE THE

SELECT COMMITTEE ON INDIAN AFFAIRS
UNITED STATES SENATE

NINETY-SEVENTH CONGRESS

SECOND SESSION

ON

BUDGETS OF INDIAN PROGRAMS IN DEPARTMENTS OF HUD, EDUCATION, AND HHS

MARCH 1, 1982
WASHINGTON, D.C.

RC013854

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OVERSIGHT OF BUDGETS OF INDIAN PROGRAMS IN DEPARTMENTS OF HUD, EDUCATION, AND HHS

MARCH 1, 1982

U.S. SENATE,
SELECT COMMITTEE ON INDIAN AFFAIRS,
Washington, D.C.

The committee met, pursuant to notice, at 9:43 a.m. in room 4232, Dirksen Senate Office Building, Hon. William S. Cohen (chairman of the committee) presiding.

Present: Senators Cohen and Melcher.

Staff present: Timothy Woodcock, staff director; Peter Taylor, general counsel; Max Richtman, minority staff director; Jo Jo Hunt, staff attorney; Mary Jane Wrenn, staff attorney; Virginia Boylan, minority counsel; and Elva Arquero, secretary.

Senator COHEN. The hearing shall come to order.

Today's hearing is the second in 2 days of hearings on the budget pertaining to Indian affairs for fiscal year 1983. On Friday, the Indian Affairs Committee heard testimony from the Bureau of Indian Affairs and the Indian Health Service as well as numerous tribal witnesses.

Today, we are going to hear from the Office of Indian Education within the Department of Education, the Administration for Native Americans within the Department of Health and Human Services, and the Indian housing program within the Department of Housing and Urban Development.

I would like to note for the record that the Department of Labor was invited to testify but declined on the grounds that the legislation it is currently drafting to replace the Comprehensive Employment and Training Act is incomplete.

The Labor Department has provided the committee with a letter expressing its regrets, and I would move to include it in the record at this point.

[The letter follows:]

U.S. DEPARTMENT OF LABOR,
SECRETARY OF LABOR,
Washington, D.C., February 26, 1982.

Hon. WILLIAM S. COHEN,
Chairman, Select Committee on Indian Affairs, Dirksen Building, Washington, D.C.

DEAR MR. CHAIRMAN: I appreciate your courtesy in notifying the Department of hearings to discuss the 1983 budget of Indian agencies and programs and your request for a departmental witness on Monday, March 1, 1982.

Regretfully, the Department will be unable to send a representative. As you are aware, the Administration is proposing new employment and training legislation to replace the Comprehensive Employment and Training Act when it expires in September 1982. That legislation is still in the formulative process, with the final package to be introduced in Congress within a week or so. In contemplating this new legislation, the 1983 budget only set out overall figures for the three com-

ponents of this proposed legislation. The Special Targeted Program is to be funded at a level of $200 million. Although Indians will be included in this portion, it may also include migrants, seasonal farmworkers, older workers, and other identifiable segments of the population with severe employment and training disadvantages.

I appreciate the cooperation and understanding of you and your staff with regard to our inability to discuss a specific level of funding at this time. The Department will be happy to discuss this issue at a later date when the proposed legislation has been finalized.

Sincerely,

RAYMOND J. DONOVAN.

Senator COHEN. Before proceeding to our first witness, Philip Abrams, of the Department of Housing and Urban Development, I should point out that we will also be hearing from the national Indian organizations after the administration witnesses have completed their presentations today.

Senator Melcher, do you have a statement you would like to make?

Senator MELCHER. Thank you, Mr. Chairman, just briefly. On Indian education, we are going to have to have an all-out fight for impact aid funds.

I really am not aware of how we would be able to finance the operation of many Indian schools without impact aid funds.

I think, perhaps, this is a blank spot that has been overlooked in the drafting of the budgets. I am sure that all of us in Congress who are aware of the necessity for impact aid for Indian schools are going to have to be very serious and very diligent to make sure we work that out properly. We must be sure that elementary and secondary education continues for the Indian schools that are dependent upon impact aid funds and that is practically all schools except BIA-run schools. So, this is the most important point.

Second, on HUD, I would just like to be reassured that HUD has some Indian housing going and that it is going to flow, and that we are not going to shut down all the Indian housing programs which seem to be threatened as I understand the situation that has been unfolding the past several months.

Thank you, Mr. Chairman.

Senator COHEN. Mr. Abrams.

STATEMENT OF PHILIP ABRAMS, GENERAL DEPUTY ASSISTANT SECRETARY FOR HOUSING, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, ACCOMPANIED BY PAT ARNAUDO, OFFICE OF INDIAN HOUSING

Mr. ABRAMS. Mr. Chairman, members of the committee; I am pleased to appear before you to discuss HUD's Indian housing program

The Department of Housing and Urban Development provides assistance in both the development and management of housing for Indian and Alaska Natives pursuant to the U.S. Housing Act of 1937, as amended.

Each Indian housing authority administers its own housing program, which may consist of either home ownership or rental housing.

As of October 1, 1981, there were about 170 Indian housing authorities operating approximately 41,400 units housing Indian families.

In fiscal year 1981, HUD received $13.8 million for Indian housing, and with these funds reserved about 2,000 units. Construction was started on 4,097 units and another 4,084 units were made available for occupancy.

There are currently about 14,000 units in the development pipeline, which will be available for occupancy by Indian families within the next 2 to 3 years. The HUD Indian field staff is working to insure that projects in the pipeline move rapidly toward construction and occupancy.

For fiscal year 1982, the HUD Appropriations Act contained funds for 4,000 Indian housing units. The Federal budget submitted by the President to Congress on February 8 does not propose funds for Indian housing in fiscal year 1983 and proposes to rescind the fiscal year 1982 funds already appropriated for Indian, as well as for other assisted housing programs, other than the section 202 program.

I might add that the funds for community development block grants are available and do provide funds for Indian reservations. Those funds can be used for housing infrastructure as well as rehabilitation, and some activities performed by the Indian housing authority.

The actions concerning the housing programs will not affect the 14,000 units in the development pipeline, which I have indicated, can be utilized for construction for Indian families at roughly the same rate, 5,000 units per year as in the recent past.

This action on Indian housing was taken because of the high development costs, excessive Federal requirements, management problems, and the consequent need to initiate a more effective and less costly Indian housing program.

As most of you are aware, in the fall of 1981, OMB established a task force on Indian housing and related programs with a mandate to improve housing delivery mechanisms and to propose methods to draw private capital to Indian reservations.

Kenneth Smith, Assistant Secretary for Indian Affairs at the Department of the Interior, is the chairman of the task force and I am HUD's representative on the task force.

The task force and its staff are actively exploring ways of providing different cost-effective ways of delivering Indian housing, including mechanisms which will provide greater flexibility for tribal leadership to operate the program without excessive Federal redtape.

The task force is considering all feasible options, including, but not limited to, combinations of elements which could include a housing block grant program; a comprehensive general block grant program, which would include housing; a direct loan or loan guarantee program; and the "certificate" approach modified to be appropriate for low-income families in Indian areas.

The task force met last Friday. We have narrowed the alternatives. The staffs of both BIA and HUD, with input from Farmers' Home and the Indian Health Service, are costing out the various alternatives. We will meet again in 2 weeks and we will, at that point, come up with a definitive program to be forwarded to the Office of Management and Budget so that a new Indian delivery mechanism can be included in the fiscal year 1983 budget process. We intend to have a legislative proposal for you this spring.

Finally, I want to mention some of HUD's thinking about the current program. Production costs remain one of the primary concerns about the Indian housing program. While the Department intends to keep its commitment to target housing assistance to those who most need help, there is an urgent need to slow the rapid increase in the cost of such housing so that more housing can be produced from available funds.

In fiscal year 1981, the cost of a single Indian housing was estimated at about $74,000. The 1981 development cost average was biased upward considerably by the fact that 25 percent of the units were allocated to Alaska, where most units are reserved with costs of about $92,200.

Over a 28-year debt service period, amortization of principal and interest on the mortgage for an "average" unit would be approximately a staggering $166,000 at current Department of Treasury interest rates.

The Department is in the process of implementing, as Department-wide policy applying to all programs, a series of cost containment initiatives which will help to reduce the cost of Indian housing. The initiatives include: Flexibility for localities, including tribes to use State and local codes, where they exist, instead of HUD's minimum property standards as well as modifications in the minimum property standards itself for those communities that don't have their own codes; a development cost cap in addition to prototype limitations; and revisions in processing requirements.

In addition to these policy changes, HUD, through its Indian program field offices, has taken steps to reduce per-unit costs for units currently in the development pipeline. These actions include: Restricting amenities in projects, minimizing site development costs by restricting subdivision sites to already built subdivisions and sites with existing access roads and water and power, encouraging the use of the turnkey construction method, encouraging reuse of architectural plans, and encouraging the use of manufactured and modular housing.

You should be aware that we have initiated a demonstration project in colloboration with the State of Alaska. The State of Alaska proposed, and HUD approved a partnership to build a 60-unit low-income housing project for the elderly Alaska Natives in Anchorage through the Cook Inlet Housing Authority with the State contributing 75 percent of the development cost. This demonstration involves a means to meet joint responsibilities to house low-income Indian families which can be repeated in other States which have the resources to enter into such a partnership.

In the management area, the Department's goal is to have Indian housing authorities, in conjunction with the tribes, improve management operations and operate in a more business-like manner.

As you may be aware, a growing number of Indian housing authorities are plagued with high expenditures, high accounts receivables, fund diversions and other financial troubles. For Indian housing authorities which are financially troubled we have asked that management improvement plans be developed and implemented.

For all Indian housing authorities we have established key management policies which include: Reducing excess tenant accounts

receivables, ultimately to less than 5 percent of monthly charges; repaying delinquent debts within a reasonable period; assuring that fiscal audits are obtained at least biannually and promptly clear findings.

We are not asking tribes and Indian housing authorities to bear a heavier burden than any other HUD program recipients. Our efforts are part of a Department-wide initiative to improve the administration of HUD programs. Already, some Indian communities have made substantial progress in collecting past-due rents and clearing audit findings promptly.

HUD Indian field office staff will, of course, continue to be available to assist Indian communities in formulating appropriate actions to overcome financial and management problems.

In summary, we feel HUD is pursuing effective and efficient policies which meet the Department's responsibilities to the American taxpayer, and to America's Indian population.

I will be glad to answer any questions the committee may have.

Senator COHEN. Thank you very much, Mr. Abrams.

I would say for the record that I have had occasion to work with you a number of times in the past and you have been most helpful and cooperative. Before I ask you any questions, I would like to make some observations. As you point out in your statement, toward the end, the average unit for Indian housing is approximately a staggering $166,000. But, first of all, I think your own statement indicates there is a bias in that if you include Alaska housing, which is approximately 25 percent of the allocation where the units are about $92,200, then that brings that average significantly up. And, as a matter of fact, last year we had testimony before the committee which indicated that if you exclude Alaska from the computations, you will find that non-Indian housing on reservations is not much greater than those for non-Indian housing situated in comparable geographical areas. So, I think it is a little bit—not unfair, but, at least, not quite put in the proper perspective. Alaska has some unusual circumstances, unusual costs involved, but when speaking about Indian housing in a totality the average is not much different than non-Indian housing.

Do you agree with that assessment?

Mr. ABRAMS. Compared to non-Indian public housing?

Senator COHEN. Yes.

Mr. ABRAMS. But both programs are too expensive.

Senator COHEN. Right.

Mr. ABRAMS. But, I agree with your statement on the bias caused by Alaska.

Senator COHEN. Well, I just think it ought to be put in that kind of a perspective, because Alaska does present some unusual problems and that accounts for the rather "staggering" increase. But, if you exclude that, it rather balances out with other public housing, which, as you indicate, is probably too high on every level. I am a little bit concerned about zeroing out the Indian housing for fiscal 1982 that is going to be a proposed rescission, as I understand it, and you are going to deal solely with those items now in the pipeline. But until such time as we see another program—and I appreciate your saying that we are going to see something in about the next 2 to 3 weeks as

far as the task force is concerned—with positive recommendations. It seems to me that we create some other problems by just zeroing out units for fiscal 1982.

Finally, I think I share your assessment about having more flexibility at a local level—that local governments and local tribes ought not to be bound by the minimum property standards as issued by HUD—that we ought to permit some local control.

I also hope that we will be able to use some local ingenuity as far as the development costs in prototype limitations. You know, coming from the State of Maine, I always found it difficult to understand why HUD would be giving approval to units where they have promoted the use of electrical heating in one of the coldest States in the country, and yet would bar any kind of HUD program for units that were using wood heating, which 60 percent of the homes in Maine either use wood as a primary or secondary source of energy. And, yet, we could not get approval for units because they had wood stoves. We could get it for electrical heating which was dramatically more expensive. So, I would hope that the same sort of desire to move toward flexibility would also apply to development cost and prototype limitations so that if, in fact, the localities decided they would want to go even higher than the minimum HUD standards, provided they bore the cost, they ought to have the ability to do so without HUD just backing away from it. It seems to me that flexibility ought to apply across the board if we can.

Mr. ABRAMS. I agree with you, Senator, and I think that approach that the task force is coming up with will give the local tribes that kind of flexibility, not only in terms of local design requirements but also in meeting their own cultural preferences and their own priorities for the types of housing, and how they prefer to beat the shelter problems.

Senator COHEN. Can you give us any indication as to what you would anticipate; who would administer this new housing program?

Mr. ABRAMS. Well, the meeting last Friday was particularly productive because, I think everybody was able to put aside some of their parochial preferences of their own bureaucracies and to try and focus on the best funding sources and the most flexible system for the good of the tribes and Indian people without narrowing in on whether it should be a BIA program or a HUD program.

Secretary Pierce is clearly on record in wanting to continue to be involved in Indian housing on whatever basis the administration recommend or whatever program Congress approves HUD would like to participate on a minimal basis in a technical capacity, but is prepared to participate in the lead or in support of the program as it comes out.

Senator COHEN. Well, I think you indicated that there are about 170 Indian housing authorities. What do you propose to do with the Indian housing authorities?

Mr. ABRAMS. Well, we really have not gotten into those details. I believe that although the Indian housing authorities have become an effective tool for providing shelter on many reservations, they are somewhat of an anomaly created by HUD's desire to copy the public housing type program on reservations. I belivee that the direction that we are going in is to let the local tribal government decide whether or not they need a housing authority, or whether the tribe wants to handle its housing program itself.

Senator COHEN. Would you elaborate a little bit more in terms of how you think we can reduce per-unit cost? What sort of recommendations do you think we ought to be pursuing?

Mr. ABRAMS. Well, there are a series of recommendations.

Senator COHEN. I notice for one that you refer to restricting amenities in projects, and, you know, frankly some of them are pretty bad already, but what amenities are you referring to that they currently have that you wouldn't recommend for the future construction?

Mr. ABRAMS. Well, there is a great deal of money spent on amenities such as basements in areas where traditionally basements are not included in houses, or where we force different types of design requirements to the minimum property standards that are not wanted or required on the reservations.

The requirement for carports in areas where they are not necessary, as well as a general burden that HUD places in trying to conform the Indian housing program to other housing programs, plus the input from the Indian housing authorities and the tribes in asking us to provide a higher level housing than they ask the private sector to provide on the reservations.

In answer to your other question, one of the ways that we think we can cut down on costs on the reservations is to use manufactured housing. Under the approach that we are coming to in the task force, that would be a local decision because many of the tribes, as you know, like to use stick built housing so they can provide job training and use it as an employment program as well as a shelter program.

But in terms of the tribes purchasing of shelter outside of Federal programs, there is a great deal of activity with manufactured homes because you can build a manufactured house, particularly on the western reservations even in remote locations, for about $25,000 to $30,000 a house, and produce a three- or four-bedroom house. But, you know, when the Federal Government does become involved, then you have a certain amount of distortion created by the nature of the involvement of the Federal Government.

Senator MELCHER. What is that distortion?

Mr. ABRAMS. Well, I think the distortion comes about in terms of the type of funding programs that have traditionally been used for the Indian housing program have encouraged the tribes to spend up to the prototype costs, and instead of trying to maximize the amount of shelter they can get for the dollars available, the incentives are to spend up to the dollars available for a house. And, in fact, although most of the housing is single-family housing, HUD has required individual architectural plans and specifications for each house as though there were no repetition, which is characteristic of the single-family housing industry outside of Federal programs.

Senator COHEN. Is that brought about by HUD's regulations?

Mr. ABRAMS. Yes.

Senator COHEN. I think you indicated that it is not a criticism of the tribal——

Mr. ABRAMS. No, no. It is a HUD problem, which we are changing.

Senator COHEN. So, HUD imposes, saying that you must do this? It is not that they have a reluctance to reuse architectural plans, is it that HUD says you must?

Mr. ABRAMS. No; I think it is just the Federal distortion of the process. And if it is the judgment of Congress to not change the Indian housing program, we will aggressively work at making the program work effectively and do away with those types of restrictions that are counter-productive both for the Federal Government and to the local government.

Some of the other factors which relate to the high costs are the remote locations of the housing and the great amount of cost that is related to site development. I believe that the progress that the Labor Department is making with the Davis-Bacon regulations, which at least, in their proposed form, will stop the practice of exporting urban wages into rural areas. Such proposed changes should be a very cost-effective change in terms of building on Indian reservations.

Senator COHEN. Let me say that I agree that it does not make a good deal of sense to have one uniform standard imposed equally across the board. It simply does not take into account regional differences. I think that all of us in Congress from time to time have complained when the administration, for example, offers a 30-percent or a 10-percent across-the-board reduction. People like myself are the first to complain, saying, wait a minute, we have different needs in the Northeast. And we have to spend 40 percent of income for fuel and you do not spend any out in California and you have all that extra money to use for other human needs. So, do not say if you cut us—you have treated us all equally, because we start from different climates, different geographical circumstances, different economic circumstances—by simply saying that everybody is treated equally because you all get a 10-percent cut. I think all of us would be the first to come charging forward and saying that is not fair.

I think that same rule applies in terms of mandating things from the Federal level. There are certain minimum requirements, I think, that we probably would demand, and that is in the way of health and safety factors. But I would support the general proposition that we ought to have enough flexibility that you design the kind of house that are most compatible with the needs of the people in that region. I do not find any difficulty in accepting that as a general theme.

You indicated in your testimony that one of HUD's initiatives was to strengthen the Indian housing authorities' management policies so as to reduce the tenant delinquency rates. About a year ago all of the Indian housing projects in HUD region VIII were frozen, and one of the reasons given was that it had a very high delinquency rate.

Region VIII, as I understand it, serves a very large number of Indian housing authorities. What effort was made by the HUD central office to distinguish between those housing authorities that were in fact doing well in their tribal management policies and those which were not? Why the general freeze in an entire region?

Mr. ABRAMS. 27 of the 28 housing authorities in the Denver region had problems that resulted in their having to submit management improvement plans. Eleven of the housing authorities have submitted the plans, which are approvable; 12 have not submitted approvable plans, and 4 have not submitted any plans.

We continue to work with the reservations. I attended a meeting of the Indian tribes in Billings, Mont., during the summer and dis-

cussed those problems with most of the tribes that are involved. As a matter of fact, we brought people in from the central office so that we would have enough people—HUD Indian program staff—available to go to any reservation that wanted to help and provide on the spot technical assistance, to come up with the management improvement plans.

Senator COHEN. That has been one of the frequent complaints, especially on the auditing requirement, that they are in need of technical assistance and have not been getting it.

Mr. ABRAMS. I understand.

Senator COHEN. Do you see an increase in that kind of assistance?

Mr. ABRAMS. Well, in this particular region, you know, there has been an increase in the assistance—the people we have brought in from San Francisco on a temporary basis—the realinement of the HUD Indian program into the six offices—and many of the offices are providing improved technical assistance. The realinement has its good points and its bad points. We are somewhat concerned with the fact that the Chicago office handles Indian housing in Maine; however, if the adminstration task force proposals to restructure the programs do not meet with success, then we will, on a parallel track, be looking at ways to improve the delivery of the program the way it stands, if Congress does not choose to change it.

Senator COHEN. Senator Melcher.

Senator MELCHER. Mr. Abrams, were 25 percent of the 4,000, or roughly 4,000 units for fiscal 1981 allocated to Alaska?

Mr. ABRAMS. I am not sure how to answer your question, sir. I can tell you that the pipeline as of September 30, 1981, for Alaska was 1,594 units. We expect to complete 844 this year, but I do not think that is your question. I think you are asking me how the program was weighted toward the cost of housing for units completed in 1981. Let me introduce Pat Arnaudo who is in our Office of Indian Programs. Rather than repeat what she is telling me, I would like her to tell you directly what she is talking about.

Ms. ARNAUDO. After the Department allocated units in fiscal year 1981, it put a freeze on reserving only 50 percent of the units. Alaska reserved their 50 percent of the units at very high costs very early on. Then, as a result of the Bartlett litigation, some of the remaining units left in central office also had to be allocated to Alaska. So, that resulted in Alaska getting a larger fair share of their units last year.

Indian housing units are not allocated on a fair share basis at this point.

Senator MELCHER. Was it 25 percent?

Ms. ARNAUDO. It was approximately 25 percent, sir, as it turned out.

Senator MELCHER. Well, there are two points there. Do we have to start lawsuits in order to get housing units in general areas? That is a rhetorical question, I guess.

Mr. ABRAMS. It seems to be a popular way of proceeding in most of our programs.

Senator MELCHER. Yes. I find it most strange that you throw around these figures of how much it costs for a housing unit and throwing Alaska in there. Like everything else, we separated Alaska because it distorts any average. You admit, Mr. Abrams, that it distorts the average, and that it is thrown around rather loosely and

vaguely on what it costs per unit housing. You mention, at the same time in your testimony, that housing units are high.

I would assure everybody, if you have to put 25 percent of the housing into Alaska in any fiscal year, that the average has got to be high simply because it is going to cost a lot more in Alaska. But why do it? Why not just talk about what it costs to build a house for Indian people other than in Alaska and admit that it cost about the same thing as it costs anywhere else for the same type of home, same footage, same quality, same type of construction, et cetera, instead of getting into this jam about saying: Indian housing costs more than somewhere else.

Mr. ABRAMS. Well, if I might comment on that, Senator. The cost in the Denver region is actually slightly higher than Alaska. The problem is that you are not comparing apples and apples. Most of the houses built under the Indian housing program are single-family houses. Most houses built under public housing are multifamily houses, and, in many cases, elevator buildings in more expensive urban areas. We should be able to deliver the Indian housing at a lower cost, as I said before——

Senator MELCHER. What do you mean by the Denver area?

Mr. ABRAMS. The Denver regional office. The average cost in the Denver regional office of loan authority was $87,388 per house compared to Alaska at $86,103. So, yes; Alaska distorts it; so does Denver; so do different tribes who, you know, are having particular problems or have particular building conditions.

I do not mean to debate the numbers or mislead you in numbers. The point is that if we are going to continue with this type of program, if that is what comes out of the debate on the subject this spring then, we feel we can deliver single-family houses on Indian reservations on a much more reasonable basis without affecting the quality of the housing, and we will be able to, with whatever funds are appropriated, provide more housing and more shelter that is safe and decent for low-income Indian families.

Senator MELCHER. In an earlier hearing of this committee at Billings, we received testimony that HUD was allocating as low as $1.10 per month for maintenance of Indian housing units in region VIII.

Mr. ABRAMS. That is $1.10 a month for maintenance?

Senator MELCHER. Yes.

Mr. ABRAMS. I do not know.

Senator MELCHER. That adds up to $13.20, I believe, for a year.

Mr ABRAMS. I am not familiar with the substance of the testimony. I might comment that in the mutual help program the residents are expected to do their own maintenance as their contribution to the housing, and the housing authority is not expected to carry maintenance other than that which must be done by a professional craftsman.

Senator MELCHER. Well, the testimony was to the effect that HUD was only allowing the Housing Authority $13.20 per year for maintenance and this means that there is no maintenance.

I do not care about this, you know, saying they have to do their own maintenance. We are talking about rental units.

Mr. ABRAMS. Well, mutual help units are lease purchase units——

Senator MELCHER. Yes.

Mr. ABRAMS [continuing]. But they end up eventually in ownership for the family. Let me look into it, Senator, and I will be glad to report to you.

Senator MELCHER. Are you not aware of this? We received this testimony; when was it, a few months ago: December 21, 1981. You are not aware of it yet?

Mr. ABRAMS. No, I am not aware of it, and I have asked Pat Arnaudo and she is not aware of it. If it is a straight rental unit and not a mutual help unit, then——

Senator MELCHER. Well, I think it was a mutual help, but what could you do for $13.20 on a rental mutual help unit, for example, in buying a plumbing fixture? I do not know what you would get for $13.20, but whatever it was it would shoot the whole wad for the year. I guess you would not replace a doorknob after that?

Mr. ABRAMS. The mutual help program requires that the family do the maintenance on the house.

Senator MELCHER. That does not mean buying the doorknob, does it?

Mr. ABRAMS. Well, I do not know. Does it mean buying the doorknob?

Ms. ARNAUDO. Well, if the doorknob came off, and it is a regular maintenance item, the family would be responsible for it.

Senator MELCHER. Put it back on. I am talking about something that is broken and has to be replaced. What can we buy for $13.20, and to shoot the whole wad for 1 year to maintain that rental unit?

Mr. ABRAMS. From my experience, you could buy five bathroom lock sets.

Senator MELCHER. Pardon me?

Mr. ABRAMS. For $13.25 you could buy four bathroom lock sets. Privacy-type bathroom lock sets.

Senator MELCHER. Lock sets?

Mr. ABRAMS. Yes. The doorknob combination that goes on a bathroom privacy set. Your point is well taken, but it is, without understanding the specifics of the testimony, difficult to react to it.

Senator MELCHER. Well, I am discouraged because the hearing was in December. The people who testified drew our attention to it. We drew the attention of the people in region VIII to it. We assumed that having started that attention process, it surely would have been resolved by now because that is an example of poor maintenance of a Federal investment. It means there would not be any maintenance. Self-help is one thing, but to have somebody who lives there make a repair would mean that a repair could not be made because there would not be any money to buy whatever the repair part would cost.

[Subsequent to the hearing the following information was received for the record:]

Hon. WILLIAM S. COHEN,
Chairman, Select Committee on Indian Affairs,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to the question raised by Senator John Melcher at the Senate Oversight Hearings on Indian Housing on March 1, 1982 regarding operating subsidy levels at the Fort Belnap Housing Authority in Harlan, Montana. At the hearing, Senator Melcher indicated that HUD had approved a budget for the Fort Belnap Authority at $1.10 PUM for maintenance of rental units, which seems to be an erroneous figure.

The Office of Indian Housing staff discussed this problem with the Denver Office of Indian Programs and with the Fort Belnap Authority fee accountant, Dennis Spencer. The approved budget for the rental program for the year ending March 31, 1982 is $234.097, which includes $9.64 PUM ($14,575) for maintenance materials, $4.65 PUM ($7070) for maintenance contracts, and $15.75 PUM ($23,810) for maintenance salaries. The total amount budgeted for maintenance in the Authority's approved budget is $30.06 PUM ($45,455) for the 126 rental units.

The approved budget for the Fort Belnap Authority was formulated in accordance with the Performance Funding System (PFS), the Department's policy for providing operating subsidies to locally owned rental programs operated by Public and Indian Housing Authorities. There has been concern expressed about the appropriateness of the PFS formula for all Authority situations, as well as the level of funding provided. The Department is currently preparing a report required by the 1982 HUD Appropriations Act, which will examine alternative methods for providing operating subsidy to rental projects operated by Public and Indian Housing Authorities.

If we can be of further assistance, please let us know.

Sincerely,

PHILIP ABRAMS,
General Deputy Assistant Secretary for Housing–Deputy Federal Housing Commissioner.

Senator MELCHER. Now, let us go on from that to get into this block grant. What does a block grant on Indian housing mean to a tribe?

Mr. ABRAMS. Well, there are a lot of variations of a theme. It could be a block grant through any one of the agencies that are now involved in Indian housing. It could be an expansion of any one of the block grant programs that now exist providing funds to the tribal governments.

Senator MELCHER. A block grant directly to the tribe?

Mr. ABRAMS. Yes. What it means is that, you know, there would be either an allocation included in an existing block grant, or a new block grant that would be directed toward shelter, which would give the tribe the flexibility to decide which of the various programs that currently exist, or which new way of providing housing the tribe would like to pursue in terms of meeting what it understands are its responsibilities for providing shelter on the reservation.

I think one of the most attractive parts of what the task force is working on it that by developing either an insurance or guarantee program that will work on the reservation, we will bring in private capital to the reservation.

Senator MELCHER. What type of private capital?

Mr. ABRAMS. The same type of private capital that finances single-family houses off the reservation.

Senator MELCHER. All the savings and loans that I am aware of are in trouble now. What savings and loans would want to make a loan for housing on, say—to pick one at random—the Fort Peck Reservation?

Mr. ABRAMS. The FHA program is effective because it has access to the secondary market through the GNMA pools.

Senator COHEN. Then, I should not mention savings and loans?

Mr. ABRAMS. No. You certainly can, because savings and loans originate FHA loans as well as VA loans. But, they originate FHA loans and then they sell the loans through the GNMA pools to secondary markets.

Senator MELCHER. At what interest rate?

Mr. ABRAMS. The current interest rate, or the interest rate as of last week was 16.5 percent. I am not aware of whether it has changed, or whether it will change this week, but the rate changes currently depending upon market conditions.

Senator MELCHER. Well, then, how would that work on an Indian reservation?

Mr. ABRAMS. It is available now on the reservations. The major reason it does not work now is because the trust lands preclude the mortgagee or FHA from rights of foreclosure. We are proposing, as part of the task force, to come with a statutory change which would preserve the right of the tribe to not have the trust lands diverted either to the Federal Government through FHA or to a private mortgagee, but would provide some kind of Federal insurance or guarantee that would put the risk in case of a default on the Federal Government so that private lenders would be induced to lend on the reservation.

There are, we believe, 5 to 10 percent of the families on the reservation who could afford market rate privately financed FHA insured housing if it were available as an alternative. Currently, people who do not qualify for the low rent Indian housing or the mutual help housing have to pay either cash up front or deal through the tribes in order to be able to buy their own housing on the reservation.

But if you combine that type of approach with the flexibility of a block grant where the tribe could either buy down the interest rate, or make a capital grant to reduce the amount of mortgage that is necessary, or whatever other vehicle the tribe deems appropriate at the same time allow the modified certificate, which is going to be the main source of housing for low income families throughout America to also be a resource on the reservation, then, you would be in a position where a low income family could have access to a privately financed FHA insured house that has low enough monthly payments so the certificate can cover it because of the facility of a block grant, or a stream of funds through the tribe to that housing mechanism.

Senator MELCHER. Well, really, we might be talking about a very limited number of Indian families then that could qualify under this program?

Mr. ABRAMS. No. the qualification for certificates——

Senator MELCHER. No. I do not mean under section 8. I mean using a Government-guaranteed loan through Farmers Home or the Federal Housing Authority in a traditional way.

Mr. ABRAMS. Well, you are talking about a limited number that could do it without any assistance from the tribe. If you take the stream of funds either through a loan program or a block grant program then that could gap the difference between what a private sector family could afford and what a family with a certificate could afford.

Senator MELCHER. We have not seen much evidence so far in region VIII that any tribes are in a position to provide that kind of financial backing.

Mr. ABRAMS. But that is the whole purpose of some stream of funds from the Federal Government for either a block grant or a loan program.

Senator COHEN. Is not the recision, which you are speaking of, an effort to hold down the Federal budget; a recision of funds appropriated for 1982 an effort to hold down the Federal budget?

Mr. ABRAMS. It certainly is, but it is also an effort to hold down long-term budget authority programs that are not cost-effective and that obligate the Government to future year outlays and cost——

Senator MELCHER. Well, when the task force reports something like this, will it not still have the same handicap of obligating the Government on guaranteed loans?

Mr. ABRAMS. Well, this is a completely new approach.

Senator MELCHER. I know it is a new approach, and I am not discouraging new approaches if they are meaningful, but I do not know how it gets us beyond the stage of having the Government guarantee a loan it is trying to avoid.

Mr. ABRAMS. The FHA Insurance Fund, or whatever other vehicle the task force recommends to either guarantee or insure mortgages, would, at least, in the case of the FHA insurance fund not be an outlay problem for the Government because that fund is self-sufficient. In fact, the FHA fund has a considerable asset balance since its beginning.

Senator MELCHER. Is it off budget?

Mr. ABRAMS. It is not budget. It has assets; it makes money.

Senator MELCHER. I understand that. We have a lot of things that make money for the Government, but we were told in this budgetary process to not make the obligation because they do not want to show the obligation as a budget item.

Mr. ABRAMS. You just went one step above my capability to respond. The FHA insurance fund that insures the type of programs we are talking about under section 203(b) does not receive any subsidy; does not cost the Government any money off budget or on budget, and in fact, has substantial assets that it has built up over the years from profitable operations.

Senator MELCHER. Just to give you an example, the medicare trust fund does not show any lack of stability, but there is a recommendation to cut medicare in order to hold down the budgetary item covering medicare.

Good luck on your task force recommendation, but I do not find much comfort in expecting that it will clear the budgetary hurdle that OMB imposed upon last year's budget, the current year's budget or the one we are going to develop for fiscal 1983. All are designed to hold down obligations of guaranteed loans.

You have been talking about a pipeline of about 13,000 or 14,000 units for Indian housing. But, you are saying right now that until the task force report is finished, we do not want to obligate any of the 4,000 units for which we appropriated funds in this current fiscal year. Is this not going to set us back in that pipeline schedule quite a bit?

Mr. ABRAMS. Well, since the pipeline has enough budget authority to build at the current rate for the next 2 years, by the end of that period the new program would be in place.

Senator MELCHER. I want to be sure I understand you correctly, Mr. Abrams. Does your testimony not say that you are going to ask for a reclsion?

Mr. ABRAMS. Yes, sir.

Senator MELCHER. For this current fiscal year?

Mr. ABRAMS. We are asking for recision of the fiscal year 1982 appropriations for Indian housing.

Senator MELCHER. Well, then, the point of my question is: Does that not set you back in this so-called pipeline?

Mr. ABRAMS. It does not set us back because we have sufficient funds in the pipeline to build housing at the level that we have been producing Indian housing for the next 2 years.

Senator MELCHER. Even with this recision?

Mr. ABRAMS. Yes, sir.

Senator MELCHER. At 4,000?

Mr. ABRAMS. Yes, sir.

Senator MELCHER. I guess I had better acquaint myself with how that works, but it sounds to me like the recision request is a request for recision of the current funds; 1982 funds for 4,000 units of Indian housing. That is not the case?

Mr. ABRAMS. Yes, sir. Let me try to clarify it.

Senator MELCHER. Please do.

Mr. ABRAMS. At the end of fiscal year 1981, the Congress had appropriated, and HUD had reserved, 15,261 units of housing. We expect to build about 5,000 units in fiscal year 1982, and that would leave 10,361 units in the pipeline at the end of fiscal year 1982 to be built during fiscal year 1983 and fiscal year 1984. That money has already been appropriated as of the end of last year.

Senator MELCHER. Are you talking about housing starts in fiscal year 1982 or not?

Mr. ABRAMS. Yes.

Senator MELCHER. You are talking about it?

Mr. ABRAMS. Yes.

Senator MELCHER. So, you are saying that there will be 4,000 housing starts in fiscal year 1982?

Mr. ABRAMS. We estimate there will be almost 5,000.

Senator MELCHER. Almost 5,000?

Mr. ABRAMS. Yes, sir.

Senator MELCHER. And those are starts?

Mr. ABRAMS. Yes, sir.

Senator MELCHER. Regardless of the recision?

Mr. ABRAMS. Yes, sir.

Senator MELCHER. On page 3 of your testimony you say the: "Task force intends to complete its report in the near future"—that is right at the top of the page—"so that a new Indian delivery mechanism can be included in fiscal year 1983 budget process." Could you tell us where it would be in the budget?

Mr. ABRAMS. No; that decision has not been made.

Senator MELCHER. That will be part of the recommendation of the task force?

Mr. ABRAMS. Yes, sir.

Senator MELCHER. Now, on the distortion, you said that the regulations of HUD itself are distorting the costs?

Mr. ABRAMS. Yes, sir.

Senator MELCHER. How would this work? You recommend, for instance, construction or manufacturing of a house offsite and then delivery of the house to the site. Is that a distortion? I mean, I assume it is something you can correct if you want to, under your own regula-

tions. I mentioned before, the Fort Peck Reservation. They used to have modular housing construction right there on the reservation, and then the house was delivered to the site. You have that authority now; do you not?

Mr. ABRAMS. Well, it is somewhat a gray area because we recommend that the housing authorities follow the minimum property standards.

Senator MELCHER. Pardon me?

Mr. ABRAMS. We recommend that the housing authorities follow the HUD minimum property standards, and the HUD minimum property standards on manufactured housing under HUD's manufactured housing construction standards, or the title VI code do not meet the minimum property standards because of the nature of manufactured housing. Many of the Indian housing authorities—most of them—choose not to use manufactured housing, since HUD's prototype costs allow the luxury of stick building or conventionally building a piece-by-piece the single-family housing. Because of the amount of contract authority and prototype costs that we allow, there is no driving force to bring the Indian housing authority to look at manufactured housing as an alternative since the tribe would prefer, in most cases, to have the housing built with local labor so that they can include employment and training goals as well as shelter goals.

Senator MELCHER. Well, I am all for that, but I recognize that often the training part of it ups the cost.

Mr. ABRAMS. Yes.

Senator MELCHER. There is no way of getting around that?

Mr. ABRAMS. No. Not at all.

Senator MELCHER. Are you recommending that perhaps that should be sacrificed?

Mr. ABRAMS. Well, if you keep the program the way it is, and it is HUD's responsibility to deliver shelter. I would say that we should remove the social goals from the housing program and produce housing—the best possible housing at the least possible cost.

If you go to a block grant approach, then I would suggest, and I would prefer to have the tribe make that decision as to whether their goal was to provide for shelter or to combine the provision of shelter with employment and training goals.

Senator MELCHER. You mentioned Davis-Bacon, but would buying manufactured housing change that requirement, in any way?

Mr. ABRAMS. No, sir.

Senator MELCHER. I have one final question——

Senator COHEN. You are going to propose changes in the Davis-Bacon Act though?

Mr. ABRAMS. Well, the Labor Department changes—the proposed rule—would preclude taking urban wages into rural areas, which is some of the problem we have with Indian housing. However, we have not seen the final rule.

Senator MELCHER. I am advised by my staff that, since its enactment, Davis-Bacon has always been based on what the community pay scales are.

Senator COHEN. Well, I can tell you, from my experience, in Maine that is not the case. There have been substantial increases in cost over

what the ordinary labor force would receive in Maine, because the Boston region is used for the entire State and that is not realistic.

Mr. ABRAMS. I can tell you personally, in Maine, in my former life as a building contractor, building the Federal building in Waterville, Maine, a survey was done at Kennebec County and the wages which had previously consisted of Boston and Portland building trade union wages then resulted in, I think 14 out of the 17 categories, being open shop wages.

Senator MELCHER. Well, my purpose in mentioning what Davis-Bacon was intended to do does not, in any way, say that that is what has been done by the Department of Labor.

Mr. ABRAMS. Yes.

Senator MELCHER. I think the example you have given of applying the Boston community of level of pay to Maine is a gross distortion of what Davis-Bacon requires.

Senator COHEN. It is almost a direct consequence.

Mr. ABRAMS. But the same thing happens in Alaska.

Senator MELCHER. I think that is a lack of enforcement of Davis-Bacon. I think that is what that amounts to.

Mr. ABRAMS. Well, it is the current regulation. The current regulations do, in effect, lead the labor department in Alaska and in many of the western States to take the closest urban wages and require them on the Indian reservations.

Senator MELCHER. I have one last question. What is a lend lease proposal?

Mr. ABRAMS. I am not sure.

Senator MECHER. Lend lease, or, excuse me, the lease purchase program?

Mr. ABRAMS. The current mutual help program basically is a lease purchase program.

Senator MELCHER. That is the mutual help?

Mr. ABRAMS. Yes, sir.

Senator MELCHER. OK. Do you think it has worked well on Indian reservations?

Mr. ABRAMS. It has worked well on Indian reservations to the extent that some families have had the opportunity to, over the years, develop homeownership through their payments and through their contribution of labor and family effort. In many cases, unfortunately, it is unfulfilled promise because you tell low-income families that they have the opportunity to own a house, and they spend many years trying to get to that point, but their income never allows them to make sufficient payments to get to the point where they have homeownership. And, like other HUD programs—there was one called Turnkey III—you just do not have a very high rate of success. With the families you do have successes with, it is worth the effort because, you know, the end result is homeownership for the low-income family, but it has been a program that has had many difficulties. And, although it is very popular among the Indian communities and one that they would probably choose to continue under the block grant approach, it has had pitfalls as well as successes.

Senator MELCHER. It is within your regulations. It is simply one of the opportunities that is available under current law?

Mr. ABRAMS. Yes, sir.

Senator MELCHER. Thank you.

Senator COHEN. Just one final point, Mr. Abrams.

I am told that some of the off-reservation, State-recognized tribes, who have Indian housing authorities are having some difficulty with HUD in its regulations and interpretations of regulations that somehow because they are off-reservation tribes, although recognized, are sort of pushed in the direction of go find non-Indian housing or public housing assistance and they are caught in that sort of crack because they are pushed back, saying no, you have an Indian housing program and they fall somewhere in between.

I was wondering if you would, at least, bring that to the attention of the task force?

Mr. ABRAMS. Yes, sir.

Senator COHEN. Thank you very much for your testimony.

Our next witness will be Dr. Gary L. Jones, the Deputy Under Secretary for Planning, Budget and Evaluation, Department of Education.

I am told, Dr. Jones, that you are going to be accompanied by Dr. Frank Anthony Ryan, who is the Director of Indian Education program and Mr. William Stormer, the Director of the Division of Impact Aid, and Mr. Manuel Smith, who is a program analyst at the Office of Planning, Budget and Evaluation.

Dr. Jones.

STATEMENT OF DR. GARY L. JONES, DEPUTY UNDER SECRETARY FOR PLANNING, BUDGET, AND EVALUATION, DEPARTMENT OF EDUCATION, ACCOMPANIED BY FRANK ANTHONY RYAN, DIRECTOR OF INDIAN EDUCATION PROGRAMS; WILLIAM STORMER, DIRECTOR, DIVISION OF IMPACT AID; AND MANUEL SMITH, PROGRAM ANALYST, OFFICE OF PLANNING, BUDGET AND EVALUATION

Dr. JONES. Mr. Chairman, members of the committee, as you know the Department of Education administers more than 149 programs. Among them are a few which provide resources to Indian people exclusively. In many others, Indian people may receive benefits because they exhibit needs similar to those in a larger universe of students.

The two program areas which you have requested us to emphasize today are those which provide educational assistance on the basis of the presence of Indian children and adults.

First, there is the Indian Education Act with which you are quite familiar. We estimate this series of programs will provide needed educational service this year to over 300,000 Indians. Altogether this fiscal year we will spend about $71.6 million for this series of programs authorized by the Indian Education Act.

Other programs which provide resources to public school districts because they enroll Indian or Indian-related students are authorized under the impact aid legislation.

The payments made under one part of the impact aid program, maintenance and operations, are made to public school districts in

behalf of children identified by their place of residence being on Indian lands. This year we will pay 698 public school districts an estimated $140 million for enrolling some 98,000 students.

Another portion of the impact aid program provides resources for the construction of school facilities. Under this program this year, we will expend approximately $8 million for improved school housing in six districts.

As you know, Mr. Chairman, the 1983 budget, which has been transmitted to you, calls for further reduction in the appropriation for all of these programs.

Also, the budget requests that this series of programs be moved to other agencies; namely, the Department of the Interior and to Treasury. This reduced funding and transfer of programs was requested in compliance with the overall extensive branch priorities and commitments.

We believe the premises upon which these proposals rest to be essential and necessary in order to appropriately guide the future of this Nation. We will be happy to respond to your questions.

Senator COHEN. That is the quickest testimony we have had, Dr. Jones.

Perhaps you could tell us, in some detail, how the transfer of the Indian Education Act to the programs of the BIA is going to work. You do not indicate any change in the service of population, and, I guess, the question we would have is: Does the administration intend to reduce the service population to that of the Bureau of Indian Affairs?

Dr. JONES. Our intentions in reviewing various programs within the Department of Education for transfer to other agencies rested simply upon what we thought would be the most efficient way to manage the Government programs that are at the Federal level. Of the more than 149 programs in the Department we are suggesting transfer of the 28 programs to other agencies with related responsibilities.

Senator COHEN. Well, there is some concern by the rural nonreservation Indian people, or those urban off-reservation Indian people that if the programs are in fact transferred to the Bureau of Indian Affairs, it is an inherent traditional bias in that administration toward serving only Indians on or near the reservation, therefore, they are going to be excluded. What do you have to say to that?

Dr. JONES. Well, I am not sure that we can always arrive at some public policy decisions based upon anxieties that people may have of past practices. We simply suggest that the best way that these programs can be coordinated, integrated, is to do it through the Department of Interior, and that we think there may be some cost savings with it. It will be a more efficient program implementation. We believe the colleagues we have at the Department of Interior and elsewhere in the Nation will be very cognizant of the needs of the students who are now served by these programs within the Department of Education.

Senator COHEN. What is the purpose of the National Advisory Council on Indian Education within the opinion, at least, of the Department of Education, or other officials in the administration? What function does it serve?

Dr. JONES. Essentially what I think the title calls for is an advisory committee to the Department—to the Secretary.

Senator COHEN. What is the advice that the council has given with respect to the transfer of the Indian Education Act program?

Dr. JONES. Mr. Ryan, I think, may be better able to address that question.

Mr. RYAN. My understanding is that at their last meeting in Nashville, Tenn., and I believe, in a previous meeting in Portland, Oreg., in September, the National Advisory Council on Indian Education passed a resolution that the Indian Education Act programs be transferred into the Educational Foundation.

Senator COHEN. So, they supported this general transfer?

Mr. RYAN. The NACIE, as it is known, has supported a transfer of the Indian education programs into the new Education Foundation as opposed to transferring them to the Bureau of Indian Affairs.

Senator COHEN. What kind of consideration was given to that recommendation?

Mr. RYAN. Well, at this point we do not have specific legislation on the issue, and, as I understand, everyone interested in the matter will have an opportunity to comment and to present his or her, or that organization's opinion.

Senator COHEN. When do you propose presenting something to the Congress, Mr. Jones?

Dr. JONES. The legislation will be forthcoming very soon, Senator. Essentially what we had to do was to make several decisions based upon what was our collective judgment within the administration as to which would be the best way to get the best mileage out of the resources available, and we thought that that would be better handled through the Department of Interior.

We did take into consideration comments from the Indian community, but at this juncture we are still recommending that our Office of Indian education programs be transferred to BIA.

Senator COHEN. On Friday we had some indication, for example, testimony coming before the committee that certain reductions in budgets were mandated by OMB. I think Senator Melcher asked one of the witnesses at that time, What does the Office of Management and Budget know about Indian treaties? The answer was, "Not much."

The next question becomes, to the extent that you do not consult with any serious degree the recommendations from those who are closest to the Indian education programs, you might find yourself in the same situation that recommendations for consolidation transfers are being recommended in order to reduce costs, save money, which is the laudable goal, but nonetheless you are remaining somewhat indifferent, or not, at least, taking into serious account the kind of recommendations coming from the Indian people themselves.

Now, how many, for example, Indian employees in the Office of Indian Education were eliminated through the recent reduction in force?

Dr. JONES. Thirty-five.

Senator COHEN. And how many employees replaced them, any?

Dr. JONES. How many employees replaced them?

Mr. RYAN. The same number, but in the Office of Indian Education, of the 35, I believe, only one Indian was separated. Others were affected, but we only lost one employee who was a native American.

Senator COHEN. Can you tell me, Dr. Jones, where we are on the grant process right now? How many of your employees have experience with the program to be able to assist in the smooth transition?

Dr. JONES. I think Mr. Ryan can better answer that.

Mr. RYAN. There are about 20 remaining employees who have experience in the program, and those employees are capable of assisting in the transition.

Senator COHEN. Senator Melcher.

Senator MELCHER. Dr. Jones, I understand how this type of testimony works. I assume that you had to clear this with the Office of Management and Budget before you gave this testimony today?

Dr. JONES. Yes, sir.

Senator MELCHER. Is it fair to assume that the testimony does not necessarily reflect your judgment?

Dr. JONES. No, sir.

Senator MELCHER. It does reflect your judgment?

Dr. JONES. Yes, sir.

Senator MELCHER. All right. This is fine then.

Now, will you tell me how 698 school districts in 23 States, who have been receiving impact aid for Indian children, are supposed to make up the difference when you cut it 25 percent?

Dr. JONES. All school districts that have been receiving impact aid will receive a reduction. However, there is one thing that we do need to remind ourselves. What we have attempted to do is support, as fully as we can, the category A students. You will find, Senator, in the 1983 budget, that Indian students comprise 31 percent of the total population served under impact aid, and they are receiving 36 percent of the dollars, or $100 million.

Senator MELCHER. But some schools have 80 percent Indian population. I mean——

Senator COHEN. If you just take the average—excuse me, Senator Melcher—it is sort of like the man drowned in a pool of water that had an average depth of 3 feet. In some ends it is 9 feet or 10 feet deep, and in other ends it is only one. You cannot use that as saying, well, you have got 31 percent of those receiving impact aid are getting 36 percent of the money?

Dr. JONES. I agree with that, Senator. We find it difficult, however, to make public policy based on exceptions. What we have tried to do is base it on the individual children that can be served. And these reductions will impact at the local level. We do not deny that, but we are simply suggesting that with the dollars that we have available, we are trying to do the best job we can to allocate those resources to cover as many students as completely as we can.

Senator MELCHER. You mentioned that the Indian children are classified as category A. What is new about that? Were they not always under A?

Dr. JONES. I am simply emphasizing, Senator, that we, as a policy of the administration, no longer advocate supplying money to B students. That we want to put whatever money we do have for impact aid into category A students.

Senator MELCHER. Are not these category A students?

Dr. JONES. Yes, sir.

Senator MELCHER. Well, how about answering my question. What are these school districts supposed to do when you take 25 percent of the money away through impact aid funds?

Dr. JONES. First of all, we are taking 25 percent of whatever percent they are receiving in Impact Aid. It may not be 100 percent of their operating budget; so, it——

Senator MELCHER. No, no. I am not asking about 100 percent. I will get to that later. There are school districts where almost all the children are Indian children; so, we will get to that later.

What are these school districts, in general, these 698 school districts supposed to do?

Dr. JONES. Well, I will get to that, too, sir. No. 1, what we are asking of every local school district is to assess its own priorities. If they are going to receive fewer Federal dollars, they obviously must sit back, as a school board or otherwise, and assess what they are going to do with the dollars they have. How are they going to allocate those dollars at the local level?

Senator MELCHER. Well, let us take the Colstrip High School District then, which has some Indian students. Impact aid does not begin to pay all the costs, the average cost of those high school students. It does not pretend to, or are you aware of that?

Dr. JONES. I am quite aware of that, sir.

Senator MELCHER. So, the Colstrip High School District is told they are going to have a 25-percent cut on the amount available for educating Indian children from the Northern Cheyenne Reservation. What is that school district supposed to do? First of all, you say, they are going to prioritize their decisions. Maybe their priority decision is not to take any Indian children. Now, how does that help anybody?

Dr. JONES. Well, I am not advocating that form of public policy certainly, Senator. I think that what we are saying here is that we only have so many dollars to allocate. We are allocating to cover the A students as best we can. We are suggesting that local school districts must sit down, look at their priorities for funding within their school system, and if they have done that and they still are coming up with dollars short, then, they seek dollars elsewhere. It may be asking for more support from the local level. It may be asking for more support from the State level. But the fact is the first thing that we expect them to do is to take a look at their priorities for allocation of their dollars at the local level.

Senator MELCHER. Well, there are approximately 98,000 Indian students. They are all class A. They are all called A students.

Dr. JONES. Yes, sir.

Senator MELCHER. And you are suggesting that for impact aid there will be $100 million?

Dr. JONES. For Indian children, yes, sir.

Senator MELCHER. $100 million?

Dr. JONES. Yes, sir.

Senator MELCHER. Now, what is that per student?

Dr. JONES. $1,000 a student.

Senator MELCHER. $1,000 per student.

Now, if it is something like Colstrip High School, you are suggesting that they find other sources of revenue to make up the difference?

Dr. JONES. Well, I do not know what difference they would make up. I am not familiar with that particular school system. I do not know what the average aid is behind each child for educating a child, but I

am suggesting that the first thing that a school board does at the local level is to assess its priorities for funding.

Senator MELCHER. Does that not say to make up the shortfall by other sources of revenue?

Dr. JONES. Not necessarily, sir. They may decide that they want to put more money into one form of program and less money into another before they ask for additional money. They may not have to ask for additional money. There are local——

Senator MELCHER. What process are they going to ask for additional money?

Dr. JONES. If they have to ask for additional money. It depends upon the State in which those school districts are placed.

Senator MELCHER. Are you saying additional money from the Federal Government?

[No response.]

Senator MELCHER. No; you are not.

Dr. JONES. I am not, sir, no.

Senator MELCHER. When you said, "It asks for additional money," I thought maybe you meant asks for additional money from the Federal Government. You are not suggesting that?

Dr. JONES. We stand on our budget, sir.

Senator MELCHER. Now, the primary reason for these reductions is the President's determination to curtail Government spending and thereby control one source of inflationary pressure on the economy, which can be taken either way. I assume what you are saying is that if you can spend less Federal dollars total, that helps inflation?

Dr. JONES. Well, it has helped. We have decreased——

Senator MELCHER. The other way you can take it is that what you are saying is that educating children is inflationary?

Dr. JONES. No, sir. You know, there is a basic problem that we are confronted with at the Federal level, and that is that 95 percent of the Federal Government's dollars go to support three elements of funding: Entitlement programs which take up 70 to 75 percent of the Federal dollars; the defense budget; and prior year commitments. Now, that leaves 5 percent, Senator; 5 percent of the Government dollars at the Federal level left for discretionary programs.

Now, we have 149 programs, sir, in the Department of Education, and 148 of those are discretionary programs, and therefore——

Senator MELCHER. And you say this is not an entitlement program?

Dr. JONES. I do say that. The Department of Education has one entitlement program and that is the guaranteed student loan program.

Senator MELCHER. I am just asking; you are not classifying this as an entitlement program?

Dr. JONES. That is correct.

Senator MELCHER. Is it a responsibility? Is it a Federal responsibility?

Dr. JONES. Are you talking about impact aid payments?

Senator MELCHER. I am talking about educating the Indian children.

Dr. JONES. We believe it is a Federal obligation because we continue to advocate it at the Federal level.

Senator MELCHER. We agree on that. Now, let us go back to the school districts that have no tax base on the reservation. What are

they supposed to do? Let us take Lame Deer School District. How is the Lame Deer School District supposed to make up this shortfall?

Dr. JONES. Well, I am not familiar with every one of the 16,000 school districts in the Nation, Senator, I am sorry.

Senator MELCHER. Well, let us just address ourselves to the 698 school districts that are involved. There is $100 million, or whatever it is going to be, I assume, it is going to be $121 million when you add in the 8,000 handicapped Indian children.

Now, what is a school district, such as the Lame Deer School District, on an Indian reservation, supposed to do to make up this shortfall?

Dr. JONES. As I say, sir, first, they have to assess their priorities within their local system.

Second, they go to the local officials. Next they go to the State officials, and, last, they should come to the Federal officials.

Senator MELCHER. Well, Dr. Jones, you stated that this is the philosophy that you believe in and that this testimony is your best judgment on the matter, and it is not just something dictated by the Office of Management and Budget. But, let me tell you what your answer means. Your answer means less quality education for Indian children. The Lame Deer School District, and the rest of the school districts that I am aware of that are on Indian reservations and that are dependent upon impact aid for a great portion of their budget, are simply going to have to reduce the quality of education. Now, that is what you are advocating. You are saying that there is a Federal obligation, but the Federal obligation also means that you will advocate before this committee a poor quality of education for those Indian children.

Do you want to respond to that?

Dr. JONES. Well, I simply cannot agree with your conclusion. I think that we——

Senator MELCHER. Well, what is the conclusion then? They do not have a tax base. Where are they supposed to get the revenue?

Dr. JONES. I do not believe that they are funded 100 percent by impact aid, Senator.

Senator MELCHER. I do not believe it either.

Dr. JONES. Well, then, they do have other tax resources available.

Senator MELCHER. Their tax resources are so limited, you can almost put them in your ear.

Dr. JONES. Well, less than 60 percent of their tax base comes from—or their support comes from impact aid.

Senator MELCHER. Less than 60 percent?

Dr. JONES. That is right.

Senator MELCHER. And Johnson O'Malley is part of that. You add that to it. So, we are going to take out the 25 percent of the 60 percent, and we are going to say that they can maintain the quality of education?

Dr. JONES. No, sir, I am suggesting that they have to decide upon their priorities. They have to go to their local official perhaps and ask for additional funding there. They may go to the State government and ask for additional funding there. But to simply assume because the Federal Government is cutting its budget, and, therefore, there is going to be less dollars per child is simply a premature judgment.

Senator MELCHER. They can go to the State government and ask the State government to make up a shortfall of the Federal obligation?

Dr. JONES. I am suggesting that there is a Federal obligation——

Senator MELCHER. Is that our new federalism?

Dr. JONES. You and I agree, there is a Federal obligation, Senator, but to what degree is another question.

Senator MELCHER. Well, do you agree that it is a primary Federal obligation to educate Indian children on reservations?

Dr. JONES. I believe that the Federal Government has a responsibility to do all it can for the Indian children.

Senator MELCHER. Well, do you think it would be advantageous, for instance, to go backwards on these local school districts on an Indian reservation and throw the whole burden on the BIA which has an outstanding record for rather high per-student educational costs?

Dr. JONES. No, sir, and we are not advocating that.

Senator MELCHER. You are not advocating that, and for obvious reasons, because where you do have a local school district on an Indian reservation they have done the job more efficiently, more effectively, and with less Federal dollars; is that not correct?

Dr. JONES. That is a fair assessment.

Senator MELCHER. But yet, you are going to say to them, we are going to cut the bulk of your funds, 25 percent of the impact aid, but you are still going to get quality education. The same level of quality education?

Doctor, it just does not work that way. You know, it does not work that way. It cannot work that way. Part of quality education is money.

Thank you.

Senator COHEN. Your prepared statement will appear in the record at this point.

[The statement follows:]

PREPARED STATEMENT OF DR. GARY L. JONES, DEPUTY UNDERSECRETARY FOR PLANNING, BUDGET, AND EVALUATION, DEPARTMENT OF EDUCATION

Mr. Chairman and Members of the Committee, thank you for inviting us here today to discuss programs that affect the education of Indians. The Department of Education currently has authority over a number of programs that benefit or have potential to benefit Indian children and adults.

Among those that have the potential for providing direct educational services are the compensatory education programs of Chapter I of the Education Consolidation and Improvement Act, the Block Grants for Improving School Programs, special programs for the education of the handicapped, vocational education programs, bilingual education, and financial aid for college students.

Another program, the Impact Aid program, does not provide direct benefits, but rather supplies general funds in lieu of lost revenues to public school districts that enroll children who live on or near non-taxable Indian lands.

Ten years ago, following a study by a special Senate Subcommittee, the Congress declared that no existing programs in the then Office of Education were adequately or directly addressing the educational needs of Indian children and adults. In recognition of those special, unmet needs, the Congress, in 1972, passed the Indian Education Act which authorized several programs, each of which is specifically targeted to Indian people.

As you might know, the 1983 budget for education is based on the assumption that a Foundation for Education Assistance will be established as proposed by the President to fulfill his campaign commitment to dismantle the Department of Education and to reduce the size, cost, and burden of government.

Under the proposal, the Foundation will retain selected programs and functions currently in the Education Department. The major functions for which the Foundation will be responsible are:

Block grants and consolidated aid for State and local educational agencies, including programs that will be turned back to the States under the President's Federalism Initiative;

A core of information, research, and statistical services;

Student financial aid through grants, loans, and work-study;

Compensatory programs for the disadvantaged, handicapped, and other groups; and

Civil rights complaint investigations, compliance reviews, and negotiations for voluntary compliance.

Also under the proposal, some programs will be terminated and others will be transferred to agencies having related responsibilities. Among this latter group are:

All the programs authorized by the Indian Education Act, which will be transferred to the Department of the Interior; and

The Impact Aid program, portions of which will be transferred to the Departments of Treasury, Defense, and Interior.

The remainder of my testimony will focus on these two programs that are proposed for transfer.

INDIAN EDUCATION ACT

As I noted earlier, the Indian Education Act was passed by the Congress in 1972 in recognition of the special educational needs of Indian children and adults. In nine years, the number of Indian children and adults benefiting has almost tripled. In 1981, beneficiaries included 307,000 children and youth, 11,000 adults, and 1,021 students in higher education programs. The beneficiaries participated regardless of whether they lived on reservations in remote rural areas, or in urban areas where the majority of Indian people now reside.

The Indian Education Act is organized into four parts—A, B, C, and D. Part A is the largest. Most of the Part A funds are allocated by formula directly to public school districts, where more than 80 percent of all Indian children are educated. Projects operated with these funds must be specifically designed to meet the educational needs of Indian children in the district and must have the involvement and approval of locally elected Indian parent committees.

In 1983, $32.2 million will support projects in 1,118 school districts enrolling 308,000 Indian children.

In addition to the formula program, there is a 10 percent set-aside of Part A funds to support special programs in Indian-controlled schools that are located on or near reservations. These schools are not public schools. In 1983, $3.2 million will support programs in 20 Indian-controlled schools.

In terms of scope, Part B is the most versatile and ambitious of the Indian Education Act parts. Funds under Part B are awarded on a competitive basis and may go directly to Indian tribes, Indian organizations, institutions of higher education, individuals, and State and local educational agencies.

Some projects are designed to help Indian people themselves develop better solutions for persistent problems that for years have interfered with the education of their children. Others are designed to train Indian people for careers as classroom teachers, curriculum specialists, guidance counselors, and school administrators. Through the Indian Fellowship program, awards are made directly to Indian students to enable them to pursue degrees in six critical professional fields. Finally, under Part B we have a network of five regional Resource and Evaluation Centers, designed to provide expert technical assistance to grantees and to help upgrade the quality of all our Indian Education programs.

For 1983, $9.6 million has been requested to support the programs authorized by Part B.

Part C of the Indian Education Act authorizes programs for Indian adults, to help alleviate problems associated with illiteracy, inadequate mastery of basic academic skills, and lack of high school completion. Funds are awarded on a competitive basis and may go directly to Indian tribes, Indian organizations, Indian institutions and State and local educational agencies.

For 1983, $3.4 million has been requested to support approximately 23 projects in which almost 10,000 Indian adults will participate.

Part D of the Act authorizes the establishment of an office to administer the Indian Education programs and the President's National Advisory Council on Indian Education. For 1983, $2.5 million has been requested for program administration and $195,000 for the Council.

IMPACT AID

Next, I want to address the Impact Aid Program, formally known as "School Assistance in Federally Affected Areas," or Public Law 81–874. For more than 30 years, Public Law 81–874 has been a major source of federal funds for the basic operating costs in public schools enrolling Indian children. Under this program, eligible children are identified by their residence on Indian lands.

For the first few years of the program, Indian children benefiting from the Bureau of Indian Affairs' Johnson O'Malley program were not eligible under Public Law 81–874. This changed with a revised concept that Johnson O'Malley should provide supplemental or special services, leaving 874 to provide basic support.

Over the past decade, the number of Indian children counted for the purposes of Impact Aid payments has grown from 62,000 to more than 98,000. In 1980–81, 698 school districts in 23 States received payments totalling $147 million. These figures include 8,000 handicapped children residing on Indian lands, for whom payments of $21 million were made. In 1983, similar numbers of children and districts will be served with approximately $100 million. With the exception of payments for the handicapped, which must be used for special education programs, Impact Aid payments are usually deposited in the general revenue fund in accordance with State law and are used to meet maintenance and operational expenses for all children attending schools in the district.

Since 1976, Children residing on Indian lands have been classified as "A" category children in the Impact Aid Program. "A" category children are, in contrast with "B" children, the administration's highest priority for Impact Aid.

As a result of the Education Amendments of 1978, a public school district receiving Impact Aid funds for children who reside on Indian lands must develop special policies and procedures to involve Indian parents in a more active way in planning and overseeing educational programs. In addition, the district must adopt policies and procedures to ensure that Indian children participate equally with non-Indian children in the district's programs. The school district is obligated to communicate these requirements to the parents of the Indian children enrolled in its schools and to the tribal leadership.

The Congress also made provisions for Indian tribes to file official complaints on behalf of parents with the Department of Education in cases where local public school districts are not complying with the law. Since this provision became effective in 1980, only three hearings have been requested and at this time, two appear to be resolved.

The 1983 budget proposes that the entire program for "A" category children under Public Law 81–874 be transferred, with a budget of $275 million to the Department of the Treasury. Of this amount, $100 million will go to school districts enrolling children who reside on Indian lands.

The other portion of the Impact Aid program that provides benefits to Indian populations is the school construction program authorized by Public Law 81–815. Currently, 75 school districts have submitted applications for construction funds. However, due to limitations of appropriations, the majority have not been funded. For 1983, no funds have been requested because of severe budget restraints and the postponable nature of construction programs.

The 1983 budget proposes to transfer the authority for the Indian portion of the construction program to the Department of the Interior, where all other Indian programs will be located.

The budget figures to which I have referred represent a reduction of about $20.5 million, or about 29 percent from the 1982 rescission level for the Indian Education Act programs. For Impact Aid, the reduction for programs that affects Indians is $34.1 million, or 25 percent. The primary reason for these reductions is the President's determination to curtail government spending and thereby control one source of inflationary pressure on the economy.

It is our belief, however, that the size of the 1983 budget is sufficient to sustain the gains made by these programs over the past decade, during which there has been some alleviation of the severe problems that prompted the Congress to pass the Indian Education Act in 1972.

Furthermore, some Federally funded programs benefiting Indian children, such as more relevant curriculum and other improvements, have been adopted over the years by the school districts receiving Indian education funds, thereby reducing the need for developmental expenditures.

We also expect that we will realize substantial savings, without a serious reduction of services, through improved coordination of activities resulting from the consolidation of all Indian education programs in one department.

Mr. Chairman, the programs I have described today are very important to the education of Indian people, and we believe that the interests of Indian people will be better served through the new organizational arrangements the President has proposed in his budget.

If you have any questions, my colleagues and I will be happy to respond.

Senator COHEN. We have one final witness this morning, Mr. David Lester of Administration for Native Americans, Department of Health and Human Services, Washington, D.C.

Mr. Lester, why don't you proceed?

STATEMENT OF DAVID LESTER, COMMISSIONER, ADMINISTRATION FOR NATIVE AMERICANS, DEPARTMENT OF HEALTH AND HUMAN SERVICES

Mr. LESTER. Thank you, Mr. Chairman.

I have a formal statement, which we have submitted to your staff.

Senator COHEN. Yes; we received it. It will become a part of the record, and you may summarize if you would like.

Mr. LESTER. Thank you.

The Department of Health and Human Services plays a very important role in fulfilling the U.S. commitment to Indian people. We do this a number of ways. We have the Intra-Departmental Council on Indian Affairs which is a broad based crosscutting advisory body, which provides advice to policy decisionmakers within the Department and assists in the coordination of Indian programs throughout the Department.

The largest Indian program in the Department is the Indian Health Service, which provides health care and health services. I believe they testified last week.

We also have within the Department a number of new programs which are the result of recent legislation. Out of the seven block grants enacted for the Department of Health and Human Services, five of the block grants provided for direct funding of Indian tribes.

And, then, finally, we have the discretionary programs within the Office of Human Development Services. Those discretionary programs are the Administration for Native Americans, the Indian Head Start program in the Administration for Children, Youth and Families, and the direct grants to Indian tribes, title VI of the Older Americans Act administered by the Administration on Aging.

Our efforts to improve coordination among the various programs have led us to our cooperative management initiative which allows an Indian tribe to make a single application for the three discretionary programs in HDS.

We are presently conducting this effort with several tribes who have volunteered to work with us in minimizing the local burden of administration management and planning that are normally associated with applying for and operating under these three separate discretionary programs.

Underlying all of these programs is the Department's commitment to support tribal self-government and self-determination. We do this to allow the tribe the opportunity to serve their most needy and to chart their own course for social and human development. This, combined with ANA and other efforts in economic development, can lead

to increasing levels of self-sufficiency—the ultimate objective for the programs that we administer.

With that, sir, I would be glad to answer any questions you might have.

Senator COHEN. Thank you, Commissioner.

In your prepared text, you indicate that the budget for the Administration for Native Americans for the fiscal year 1983 is going to reduce to—from $28 million to $23,282,000 in fiscal year of 1982.

Would you tell us what level the ANA was funded in fiscal year 1981?

Mr. LESTER. In fiscal year 1981, we had an appropriation of $33.8 million.

Senator COHEN. Could you tell us what the funding levels for ANA were for the years, say, 1976 up to 1981?

Mr. LESTER. From 1976 to 1981; roughly, it was between $32 and $33 million.

Senator COHEN. So, it stayed relatively stable from 1976 through 1981 at roughly $33 million, right?

Mr. LESTER. Yes.

Senator COHEN. Now, last year this committee prepared a report entitled "The Analysis of the Budget Pertaining to Indian Affairs," and on page 21 of that report:

> It was important to note that while the level of funding of ANA appropriations has remained the same for the last several years, inflation has reduced the real value of $33.8 to less than $15 million.

Would you agree with that statement?

Mr. LESTER. Yes, sir.

Senator COHEN. And despite that, your budget last year was reduced by 20 percent, correct?

Mr. LESTER. Yes, sir.

Senator COHEN. And this year you are going to cut it down even further in 1982 and 1983, so that the budget will be reduced by one-third?

Mr. LESTER. Roughly, sir.

Senator COHEN. How are you going to operate with that kind of reduction? First, you have got the effects of inflation, which give you about half of what the actual dollar figure was. Then, you cut that by 20 percent last year, and, now, you reduce it even further. What does that leave you with in ANA?

Mr. LESTER. Well, it has left us some very hard choices, Senator. We have made a number of changes within the program. The old approach in prior years, starting with the transfer from the Office of Economic Opportunity back in 1974, was providing core administration dollars; that is, providing dollars for tribal and community based organizations to establish an administrative base. In addition, we provided a small amount of funds to fill gaps in services.

Under this strategy, quite a bit of resources were mobilized, including grant funds from other departments, as well as foundations and other sources of funds. With the current budget reductions, we have accelerated the movement of our program from one of core administration and gap filling to one of supporting projects which address the social and/or economic problems within the community. This new direction is resulting in a greater focus on our overall mission of self-

sufficiency and a much greater use of the discretionary aspect of the program, that is, the review and funding of those applications that seem to have the greatest chance to benefit the Native American community.

Senator COHEN. How many fewer employments slots will you have in fiscal 1983? How many do you have now? How many will you have if, in fact——

Mr. LESTER. We had roughly 200 grantees in fiscal year 1981. We anticipate that when we complete our funding cycles in fiscal year 1982, we will have roughly 180 grantees, and with the dollars that are projected for fiscal year 1983, we will have about 135 grantees.

Senator COHEN. Those are slots?

Mr. LESTER. Those are grants to tribes and community based organizations. Are you asking about personnel slots?

Senator COHEN. Right. Employment.

Mr. LESTER. In our agency?

Senator COHEN. Yes.

Mr. LESTER. Let us see. In fiscal year 1981, we had 55 positions.

Senator COHEN. Fifty-five.

Mr. LESTER. Today we have 45.

Senator COHEN. And what will it be if the 1983 request is approved?

Mr. LESTER. We anticipate that it will remain at 45.

Senator COHEN. At 45.

Now, those are slots as opposed to actual employees; is that right?

Mr. LESTER. Yes.

Senator COHEN. How many employees do you have?

Mr. LESTER. I believe we have almost all of our positions filled. We have four vacancies.

Senator COHEN. Do you see any reduction in functions as a result of any of the people leaving?

Mr. LESTER. We have taken a number of steps to husband those scarce resources. In fiscal year 1981, we operated a far-ranging regional program which administered our off-reservation grantee program.

With the reduction in ceiling, we decided to bring the regional grant administration into the central office and administer it from Washington. This allows us to bring additional resources and congregate them in a way to carry out our functions with adequate staff.

Senator COHEN. Do I understand then, that you are satisfied that with these kinds of reductions, you can still carry out an adequate level of service within ANA; is that what you are saying?

Mr. LESTER. I believe that we can carry out our administrative responsibilities.

Senator COHEN. With the reductions?

Mr. LESTER. Yes.

One thing I might add is that in fiscal year 1978, we had 34 positions in ANA, which means we grew from 1978 to 1981 from 34 to 55, and we reduced back to 45.

Senator COHEN. Did you read the item in yesterday's Washington Post which described the impact of the so-called RIF's in employment reassignment that we are having in the Office of Human Development Services?

Mr. LESTER. Yes, sir, I did.

Senator COHEN. And Dorcas Hardy, who, I understand is your superior, described some of those problems.

Have you had similar types of problems within ANA?

Mr. LESTER. Any change in roles creates stress at the management level as well as the working levels. The responsibilities and functions as public servants, however, remain constant and that is what we need to make sure are carried out.

Senator COHEN. Let me come back and phrase it another way?

Mr. LESTER. All right.

Senator COHEN. You have a situation where you have had a constant—it is sort of like the same argument that Senator Melcher and I had to present before the Senate Rules Committee. We had to say that we have got a situation on the Indian Affairs Committee where we have had a relatively stable budget. We have not increased the budget a good deal over the years since its inception. In fact, have tried to maintain it at roughly the same level.

Now, we find that we have an increased membership, and we have increased staff because more and more activity is taking place with the settlement of land claims; with the complexity of the claims involving water rights and fishing rights, and the whole array of controversy and conflict coming into play, and we went in to request a small increase to account for that. We felt that after having maintained a stable level of funding that this was not a dramatic request for increase. It seems to me you have got a—I have just been advised they cut our budget $15,000. [Laughter.]

But, it seems to me you have got a parallel situation where you have had a relatively stable budget; have not increased it dramatically, and then you find the $33 million is cut in half by inflation, and then you find you are reducing the overall total by one-third. But what you are saying is that even notwithstanding the inflation, which has cut the budget in real terms in half, and then you reduce that even further to a third that you can cope and provide an adequate level of service. That is what you are saying?

Mr. LESTER. What I mean is that in those communities where we will have ANA grants operating, we will be able to provide, I believe, adequate Federal support. We believe that we will be able to provide those projects with sufficient funds to carry out the objectives that they laid out in their project. We are left, however, with fewer staff at ANA and fewer grantees.

Senator COHEN. What percentage of the money that is appropriated for ANA goes directly to the tribes and organizations?

Mr. LESTER. All of the money appropriated under the Native American Programs Act is used for grants and contracts for our program. Our budget for salaries and other expenses comes from the HDS salary and expense budget that is a separate account.

Senator COHEN. Now, last Friday the BIA testified that the elimination of the CETA programs, they expect, will increase unemployment by some 8,000. Do you have any information as to exactly what positions these newly unemployed people are going to be leaving, and to what extent would they have been involved in providing governmental service to tribes? Do you have any information on that?

Mr. LESTER. We have some information. However, at the present time the analysis of the data has not been completed. We have been

cooperating with the Department of Interior on pulling together the information that you speak about. Roughly though, 25 percent of those positions were dedicated to tribal administration and carrying out management functions at the tribal level. And there were other breakdowns into education, health, and other services. That report has not been released yet because the data analysis has not been finished.

Senator COHEN. Would it be fair to say that you believe that a stable government on an Indian reservation is sort of fundamental to economic development?

Mr. LESTER. Yes, sir. In fact, that is the basis of the ANA program for social and economic development.

Senator COHEN. As I understand it, you were involved in drafting a plan to divert some $10 million to implement a new economic development initiative on Indian reservations, right?

Mr. LESTER. I am not aware of diverting any money, although I would certainly support any effort for Indian economic development on reservations that would benefit the local people.

Senator COHEN. Is this plan not included in the BIA budget request for 1983?

Mr. LESTER. I understand the Bureau does have $10 million set aside in their 1983 appropriation request for economic development projects, although I have not seen their plan of implementing that program.

Senator COHEN. You have no idea of what they have in mind as far as that $10 million allocation?

Mr. LESTER. No, sir, I do not have any specifics on what their criteria would be for disbursing those funds.

Senator COHEN. Last year we had a hearing in which one tribal witness testified "That the termination of the CETA programs would deprive the tribes of our accountants, our police, our game wardens, our bus drivers, our maintenance men, our nutrition program staff, our secretaries, and our aging program staff." If that is the case, then, I guess the next question to follow is: What will the economic development initiative do to reach these particular tribal problems? If you are going to cut out the CETA program, and it does not work—we had testimony last year that you are going to have increased unemployment; from 12,000 or higher.

Mr. LESTER. Yes.

Senator COHEN. I think the figure went up as high as 15,000 or 18,000 more. They were added to BIA even though BIA did not request a general increase for general assistance.

Now, we have testimony it is going to be 8,000 increased unemployed. So, the question becomes: Well, if you are going to lose all this tribal infrastructure with people who are actually working to try and promote this economic development, what do we do? What would you recommend for this new economic development iniative to replace what has obviously had its defects in the past?

Mr. LESTER. The success of an Indian economic development effort has to be looked at, I think, from a much longer view than a single fiscal year. We are seeing a lot of short-term high impact in unemployment resulting in perhaps loss of services and perhaps even more critical in terms of, as you indicate, long-term economic development, a weakening of the infrastructure of tribal government. We are trying to address that through our program by focusing on strengthening

tribal government, and we are allowing tribes to request funds from ANA in their applications specifically to strengthen the ability of their tribal government to operate and serve their membership effectively.

Senator COHEN. How do you strengthen tribal government?

Mr. LESTER. You strengthen them by doing. It is similar to how do you strengthen a muscle. It is strengthened in doing the work that it is intended to do.

Senator COHEN. Well, there is the analogy that you have to have nutrition before you can—you can exercise all you want and if you are not healthy, the muscle is not going to grow, is it? You have to have adequate education, because it does not matter how much you exercise, if you do it improperly?

Mr. LESTER. That is correct.

Senator COHEN. So, you have to have nutrition, education, and then exercise; right?

Mr. LESTER. Yes, sir. We recognize the need for both hard economic development, as well as the need for human development—the development of the potential of the individual members of the tribe.

Senator COHEN. How do you do that? What do you do, specifically, to say we want to encourage a stronger local tribal development through its Government representatives? How do you do that as a practical matter?

Mr. LESTER. A number of the tribes have sought for, and we have approved, for example, to use our funds to assist them in looking at their constitution. Perhaps, even revising their constitution to give them a stronger organic document to carry out their functions of government. Others have used our funds to consolidate and codify tribal codes so that they have a better handle on what laws and ordinances they have passed. Others have used it to strengthen their abilities to carry out the responsibilities under Indian child welfare or others have used it to improve their management efficiencies so that they can use fewer resources to maintain that management administrative function. Others have looked at it in terms of better organizing their natural resources; be it coal, timber, or fish, and utilize those resources in a way that assures long-term maintenance and development of an economy. So, there are many ways our program directly addresses the question of strengthening tribal government. We have not set out a blue print of what a tribal government should look at. I think we have learned the fallacy of that approach. Rather, what we do is, we try to respond to the tribe's own request for how they would strengthen their tribal government. The focus that we insist upon is how can we strengthen the tribal government which would make them better able to carry out initiatives that would improve the social and/or economic conditions of tribal members in a way that would be lasting rather than merely trying to address the Indian poverty question by an increase in consumption without paying attention to the need to increase production.

Senator COHEN. I agree with what you are saying, in essence, but you have the practical realities and the practical problems. For example, we heard here this morning that HUD has a problem. Housing costs are too high. One of the reasons they are too high is that Indian tribes have been trying to train their members, and their population to become good homebuilders. That increases costs. Therefore, we are

going to move to some sort of modular construction. Now, that is directly contrary or contradicts the attempt to provide a healthier more dynamic economy at the tribal level, I suppose, because the costs are too high. So, we are going to cut that down. Then, we are going to cut other—I guess what I am concerned about is, or at least I need some answers to, is that it is fine that we have to move in these directions, and I do not disagree with that.

Mr. LESTER. Yes.

Senator COHEN. It has been an addictive type of relationship where, if we just continue to impose rules from Washington, or assume this Federal responsibility, we do not give initiative to creativity and self-sufficiency, which I think is long overdue. But, by the same token, if you are just going to say, the budget is cut, fend for yourself, we are going to reduce the housing and we are going to reduce this, and reduce this, and you make up your minds what your priorities are. That really does not deal with the issue, does it?

Mr. LESTER. Not directly, sir, no; it doesn't. In fact, I think part of the emphasis of our Department is to implement Indian self-determination and recognize that Indian tribal governments probably have a better handle on what their priorities ought to be and how to meet those in a way that supports both social and economic development. It means meeting the needs of today while building an economic base for tomorrow.

Senator COHEN. Is it your personal opinion that the tribes will be able to cope with these reductions in rebuilding their sense of economic self-sufficiency?

Mr. LESTER. I believe that the Indian tribes are going to survive, sir, and I believe that in the long term, they will achieve their goal of self-sufficiency. The question, I think, before us is how best can we utilize limited Federal resources in a way that encourages and places the incentive toward tribal development rather than creating a continuous subsidy which deprives the tribe of real opportunities.

Senator COHEN. Come back to the metaphor you used before, about exercising a muscle.

Mr. LESTER. Yes.

Senator COHEN. I think you pointed out, and you agreed, that education plays a vital role in that. Now, the funding level for the Indian Head Start program for fiscal 1983; how does that compare with fiscal 1982?

Mr. LESTER. There will be a $2.5 million increase in Indian Head Start from 1982 to 1983. This will be achieved by a transfer of some funds that are in basically a discretionary pot into the Indian Head Start program. As you probably are aware, there is a requirement that there be a cost of living increase to the Indian Head Start program.

Senator COHEN. Well, as I understand it, that increase is going to go to cover administrative costs and salary increases?

Mr. LESTER. Yes. As well as the increased costs of food, shelter and equipment.

Senator COHEN. You are taking it out of the discretionary funding, right?

Mr. LESTER. Yes.

Senator COHEN. So, there is no real increase in the program? You are taking it from the discretionary, and putting it under salaries and administrative overhead, are you not?

Mr. LESTER. Well, it will be transferred to Indian Head Start, and what the Indian Head Start programs, along with the other Head Start projects around the country, are attempting to do is to retain the highly qualified staff that they have recruited and trained, basically the majority of which are community members and are an important element in maintaining the quality of the Head Start program during this period of budgetary constraint.

So, while it appears that it is just going to administrative costs, these people are actively engaged in maintaining the quality of Head Start, which goes far beyond education. It is a child development program. It is very comprehensive.

Senator COHEN. The community service block grant program: what is the purpose of that program?

Mr. LESTER. The community services block grant is to provide funds to jurisdictions in helping them combat poverty.

Senator COHEN. Now, this program was funded in fiscal 1982 at a level of $336.5 million, right?

Mr. LESTER. Yes.

Senator COHEN. What is the request for fiscal year 1983?

Mr. LESTER. I understand the request is $100 million for the community services block grant.

Senator COHEN. So, that is a 70-percent reduction?

Mr. LESTER. I do not know what the percentage is.

Senator COHEN. It is a 70-percent reduction.

The awards that are made to the tribes so far have not been particularly large.

Mr. LESTER. No.

Senator COHEN. They average about, what, $10,000?

Mr. LESTER. Roughly about $10.000, yes.

Senator COHEN. I think the first 34 grants averaged $10,000 per tribe. Those projected for the next 36 is about $5,000. In your judgment, does an award of that amount make any significant difference, any impact—$10,000, then down to $5,000? Does it have any impact other than just distributing money?

Mr. LESTER. I think it does, sir.

I would like to carry it through and answer your question. I think at first the inclusion of Indian tribes, along with the States as recipients, sets a major milestone in the development of Indian policy within the Department of Health and Human Services. And so that is, I think, an accomplishment and a move forward, which the tribes have supported, if not unanimously, by a very broad consensus.

Senator COHEN. What is the rule of thumb that you follow in terms of awarding of grants? Do you have a minimum standard that you recommend?

Mr. LESTER. I believe that under the block grants, the decision as to what should be a minimum grant in terms of whether it is worthwhile for a tribe to make an application or not should be left to the tribe itself. If they see that under the formula, they are going to receive maybe

just several hundred—maybe $500—they have to decide for themselves whether that is worth applying for or not.

I understand that some tribes are making application because they want to establish, and they believe in, the principle of direct funding to Indian tribes. So, they are proceeding to apply for the small amount.

Senator COHEN. Well, staff advises me that you have generally had a rule of thumb yourself to the tribes, that they should have a minimum in the neighborhood of $50,000?

Mr. LESTER. Yes. In the ANA program it is hard for us to envision supporting a project that would be conceptualized for less than that. However, we are providing assistance to unrecognized tribes to stimulate the research needed to document their process for gaining Federal acknowledgment and recognition. Grants for those projects average $12,000. That was because there is a great deal of voluntarism on the part of the academic world, as well as the willingness of community people themselves, and much of the information, of course, is housed within the community in their Bibles and in their churches. So, those projects were funded for about $12,000.

So, there are some projects that can be carried out at a small level, but generally speaking our grants have not, in the last year or so, been less than around $50,000.

On the block grants, however, a $10,000 or a $5,000 community services block grant, because of the flexibility of the block grant, can be an important stimulus or important supplement to the overall tribal effort to meet the needs of people who fall below the poverty line. If they have, for example, an already existing—and most tribes do—some sort of human service delivery mechanism, a $5,000 supplement may not hire additional staff but it can be useful in supplementing projects and assistance to individuals.

Senator COHEN. Mr. Lester, just so I will understand it clearly: You believe that this budget, as proposed, with the reductions through inflation and through actual reductions in authorization, you believe you can continue to deliver adequate services to the Indian tribes under ANA?

Mr. LESTER. Well, if we start from the premise that in 1981 we were providing adequate services, yes.

Senator COHEN. So, in other words, 1981 is your base line?

Mr. LESTER. That is the line from which we are taking our budget reductions, and if we agree that in 1981, Indians were receiving adequate services, then, I believe that we will continue to provide adequate service.

Senator COHEN. Well, let me just go back for a minute then. Do you think that there was an adequate level of service in fiscal year 1981?

Mr. LESTER. I do not believe there were enough resources devoted to tribal development. I think there were far too many resources devoted to continuing dependency rather than fostering self-sufficiency.

Senator COHEN. And that is in the fiscal year 1981 budget?

Mr. LESTER. Yes.

Senator COHEN. In essence, do you feel that by restructuring and redirecting the economic development programs that you can do more with less?

Mr. LESTER. In essence, I think we are going to have a lot more impact with our program with the fewer dollars, yes.

Senator COHEN. So, the ultimate upshot of what you are saying, is that you are satisfied that you are going to be able to deliver because you are trying new ways to deliver more with less?

Mr. LESTER. Yes And I must say that we cannot do it alone, because unlike other agencies, we do not have employees at the local level. So, our job is to provide a reasonable level of resources to as many grantees as possible and they carry out and do the work. I am convinced that the tribes are dedicated and are going to accomplish a great deal with the resources that we are providing them.

Senator COHEN. Thank you very much for your testimony, Mr. Lester.

Your prepared statement will be included in the record at this point.

[The statement follows:]

PREPARED STATEMENT OF A. DAVID LESTER, COMMISSIONER, ADMINISTRATION FOR NATIVE AMERICANS, OFFICE OF HUMAN DEVELOPMENT SERVICES, DEPARTMENT OF HEALTH AND HUMAN SERVICES

Mr. Chairman and Members of the Committee, thank you for the opportunity to present an overview of programs administered by the Office of Human Development Services and the Office of Community Services for the benefit of American Indians.

The Department of Health and Human Services serves American Indians in a variety of ways: through the policy initiatives of the Intra-Departmental Council on Indian Affairs; through direct funding to Indian tribes and organizations under five of the newly established block grant programs; through the health care services of the Indian Health Service; and through the discretionary grant programs within the Office of Human Development Services. These programs are: the Native Americans Act program under the Administration for Native Americans, the Indian component of the Head Start program in the Administration for Children, Youth and Families, and the Administration on Aging's Title VI program. The Office of Human Development Services has requested a total of $61,934,000 for services to Native Americans in fiscal year 1983: $23,282,000 through the Administration for Native Americans; $5,252,000 through the Administration on Aging (Title VI); and $33,400,000 through the Indian Head Start program. In addition, the Community Services Block Grant, administered by the Office of Community Services, provides funds directly to Indian tribes in support of anti-poverty and programs. $100 million is requested in fiscal year 1983 for this block grant.

The basic funding policy of the Office of Human Development Services is to support American Indian communities to set their own priorities, plan their own social and economic development strategies to achieve self-sufficiency, and take control over all the resources—Federal as well as non-Federal—which can move communities toward achievement of their own goals. We seek to promote economic growth and prosperity in order to reduce dependency. Each of these human service Indian programs supports these goals.

The Administration for Native Americans promotes social and economic self-sufficiency for American Indians, Alaskan Natives and Native Hawaiians throughout the United States, through the support of locally-determined strategies for long term social and economic development. The program operates on two fundamental principles: first, that the local community is responsible for determining its own needs and priorities and for planning and implementing programs, and second, that economic and social development are interrelated and that both must be balanced if Native Americans are to achieve self-sufficiency. The Administration for Native Americans funding policy to assist Indian tribes and Native American organizations to plan and implement their own long-term strategies for social and economic development was accelerated for Fiscal Year 1982 to apply to all grantees and will continue in Fiscal Year 1983. This funding approach moves the focus from increasing dependency on social services to increasing productivity of both individuals and communities.

To achieve its legislated mission of promoting self-sufficiency within the framework of locally-determined social and economic development strategies, the Administration for Native Americans has three primary goals:

1. To develop or strengthen tribal governments and Native American institutions and Native American leadership;
2. To foster the development of stable, diversified local economies and/or economic activities which provide jobs, promote economic well-being and reduce dependency on social services; and
3. To support local access to and coordination of programs and services which safeguard the health and well-being of people, and which are essential to a thriving and self-sufficient community.

Another major program office of the Office of Human Development Services that directly serves American Indians is the Administration on Aging. Under Title VI, Section 608(a) of the Older Americans Act of 1965 as amended, the Administration on Aging provides grants to eligible Indian tribal organizations to promote the delivery of social and nutrition services to older Indians. The Title VI program provides an integral component of a tribe's overall social and economic development strategy, as it provides much needed services to a segment of the tribal population most at risk.

The Office of Human Development Services addresses the needs of another at risk segment of the tribal population—the very young—through the Indian Head Start program. Head Start provides comprehensive developmental services designed to improve the quality of life for children and their families. Intended primarily for preschoolers from low income families age 3–5, the program seeks to foster the development of children and to enable them to deal more effectively with both their present environment and later responsibilities in school and community life. Head Start programs emphasize health and educational development as well as parent involvement and social services to enable each child to develop and function at his or her highest potential.

In accordance with the President's economic recovery plan, the level of Federal spending for the Administration for Native Americans and the Administration on Aging Title VI program will be reduced in fiscal year 1983. In order to provide a legislatively mandated cost of living increase for Indian Head Start projects, an estimated $2.5 million which formerly had been used for discretionary activities will be redirected in fiscal year 1983. This will enable Indian Head Start projects, which serve communities facing extreme problems of poverty and which have few alternative resources, to offset higher operating costs due to inflation and to provide salary increases to local staff.

Under the Community Services Block Grant, Indian tribes and organizations can be directly funded. The first 34 direct awards to Indian tribes and organizations were made February 18, 1982. These awards totalled $349,761 and represent support for the first and second quarters of fiscal year 1982. Awards to 36 additional tribes and organizations totalling approximately $170,000 (also for the first and second quarters of fiscal year 1982) will be made within two weeks. Up to 25 more awards will be made after certain tribes and organizations revise their applications to meet requirements of the Community Services Block Grant Act—verify their service areas, submit resolutions from member tribes. This will complete the awards made to tribes and organizations in the 36 states having federal or state recognized tribes which chose to participate in the direct CSBG program as of the first quarter of fiscal year 1982.

Awards will be made to approximately 8 tribes from the two additional states which opted to participate in the direct block grant program as of the second quarter of fiscal year 1982, as soon as applications from eligible groups are received and certified. First and second quarters awards to these tribes will total approximately $73,000.

In summary, while it is necessary to redirect Federal funds and reduce the level of Federal spending, our efforts to encourage local control of resources, promote economic growth, and stimulate private sector investment in Native American communities and enterprise should enable Native American communities to continue to move along the path of development toward social and economic self-sufficiency. In addition, a special initiative to improve the impact and efficiency of the Office of Human Development Services Indian programs through simplified planning and administrative processes will ease the administrative burden on Indian tribes and increase the impact of service dollars at the local level. Tribal

access to five of the newly established block grants, including the Community Services Block Grant, will also serve to further the aims of American Indian communities.

These Indian human services programs have a common program element of promoting self-sufficiency for American Indians. These programs and other efforts of the Department, such as the Block Grants which include direct funding to Indian tribes, support a government-to-government relationship with Indian tribes. The programs for Indians administered by the Office of Human Development Services and the Office of Community Services are managed and operated by the Indian tribal organizations. No Federal employees provide direct services to individual American Indians under these programs. Rather, resources are provided to Indian tribes so that tribes can run their own programs in the best spirit of Indian self-determination.

I appreciate the opportunity to appear before this Committee. I will be happy to answer any questions you may have at this time.

Senator COHEN. We have a number of outside witnesses. I think it might be more productive rather than going one by one, that we have several come to the witness table.

Norman DeWeaver, information staff, Indian CETA Coalition. Ron Andrade, the executive director of the National Congress of American Indians.

Steve Unger, executive director of the Association of American Indians of New York, and Laurence Gishey, the director of the Navajo Division of Education, Window Rock, Ariz.

Maybe we can split up our panel so that we can all proceed as quickly as we can.

Steve Unger, is he here?

[No response.]

Senator COHEN. Laurence Gishey.

[No response.]

Senator COHEN. Is Patty Marks present?

Dr. Helen Scheirbeck, is she here?

[No response.]

Senator COHEN. Dr. Michael Doss.

[No response.]

Senator COHEN. Well, we will proceed with the gentlemen and Patty. I think we will go first with Norman DeWeaver.

STATEMENT OF LONNIE RACEHORSE, EXECUTIVE DIRECTOR, IDAHO INTERTRIBAL POLICY BOARD APPEARING ON BEHALF OF INDIAN AND NATIVE AMERICAN CETA COALITION, WASHINGTON, D.C.

Mr. RACEHORSE. I am testifying on behalf of Mr. DeWeaver on the CETA Coalition.

Senator COHEN. What is your name, sir?

Mr. RACEHORSE. My name is Lonnie Racehorse. I am the executive director of the Idaho Intertribal Policy Board, and appear before this committee as a coordinator for the legislative task force of the Indian and Native American CETA Coalition.

The coalition is an informal, voluntary network of 192 tribal governments, intertribal consortia, native Alaskan and off-reservation Indian and Native-American groups that participate directly in Department

of Labor funded programs under the Comprehensive Employment and Training Act.

Employment problems have again become a major concern to all Americans, especially Indian Americans. Unemployment is big news on almost a daily basis. In Indian country, unemployment never stopped being a problem.

For America as a whole, an unemployment rate of 10 percent is considered very, very serious.

In Indian country, unemployment was last measured by the BIA as 46 percent of the available labor force.

In individual States, unemployment is considered catastrophic at a rate of 15 percent.

The unemployment rates were higher than that in every single BIA area office's jurisdiction. In the Juneau area office, covering all of Alaska, the rate was 62 percent.

Unemployment rates in the vicinity of 50 percent among minority group youth in the big cities are considered a threat to the social order.

Sixty-nine of 153 reservations or BIA agencies with populations of over 500 had unemployment rates of 50 percent or above for all workers, adults as well as youth. Thirty-six reservations had unemployment rates of 60 percent or more; 16 had rates of 70 percent or more, and 4 had rates that were actually measured at above 80 percent.

All these Indian unemployment figures are taken from BIA data collected last spring before the funding cuts in CETA and other programs threw thousands of reservation workers out of their jobs.

CETA programs have been the most important tools which tribal governments have had to cope with these horrendous problems. CETA funds, provided directly to the tribes by the Office of Indian and Native-American programs, OINAP, in the Department of Labor, have enabled the tribes to: Provide skill training and remedial education to Indian workers that need them; to provide supportive services to enable people to find, take, and keep jobs that are available; to expose Indian youth to real work environments for the first time in their lives; to provide thousands of jobs to Indian people who would otherwise not have had them; and, perhaps most important of all, to establish and implement tribally determined development plans.

On many reservations, CETA budgets cuts have meant that health services have been curtailed. Education programs have suffered. Programs serving Indian elders and Indian youth have been hard hit everywhere. Social services of all kinds have disappeared. There has been a sharp drop in housing rehabilitation in many places.

Indian CETA programs now face a new hurdle. The authorization for all CETA programs, Indian ones included, ends this coming September.

Senators Quayle, Hawkins, Kennedy, and Pell have sponsored a bill, Senate bill 2036, to revamp DOL-funded training programs. This bill would continue Indian programs and preserve the key features of the present law, such as direct funding, national administration through an Indian desk in the Department of Labor, and flexibility in designing programs to fit tribal and urban Indian labor market conditions. The Indian set-aside formula in the bill would, if the bill were fully funded, result in almost as much money for Indian programs as is available under the current fiscal year 1982 continuing resolution.

We urge the members of the select committee to strongly support the Indian provisions of the Quayle-Hawkins-Kennedy-Pell bill.

The Department of Labor has drafted its own bill. In its present form, it would threaten to end all Indian programs since it does not contain any minimum Indian set-aside funding formula. It would end all services outside of reservation boundaries and would saddle tribal programs with restrictions meant for State governments, making the money practically worthless to tribes.

We urge the members of the select committee to strongly oppose the administration bill as long as it contains all these serious flaws.

Even if the Congress approves the Quayle bill, and even if it is fully funded, thus preserving the Indian programs in their current form, this would still not fill any of the void left by the termination of the CETA public service employment programs.

New legislation, or at least new appropriations are needed to give tribal governments the flexible resources that will enable them to design and manage the types of tribally controlled programs that were supported in the past with CETA PSE funds.

Insuring that such resources are put in place has to be among the highest priorities facing this committee.

I am available for any questions, sir.

[The prepared statement follows:]

PREPARED STATEMENT OF THE INDIAN AND NATIVE AMERICAN CETA COALITION, PRESENTED BY LONNIE RACEHORSE, EXECUTIVE DIRECTOR, IDAHO INTER-TRIBAL POLICY BOARD

My name is Lonnie Racehorse. I am the Executive Director of the Idaho Inter-Tribal Policy Board and appear before the Committee today as the Coordinator of the Legislative Task Force of the Indian and Native American CETA Coalition. The Coalition is an informal, voluntary network of the 192 tribal governments, inter-tribal consortia, native Alaskan and off-reservation Indian and Native American groups that participate directly in DOL-funded programs under the Comprehensive Employment and Training Act.

Employment problems have again become a major concern of all Americans. Unemployment is big news, on almost a daily basis. In Indian Country, unemployment never stopped being a problem.

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CETA programs have been the most important tools which tribal governments have had to cope with these horrendous problems. CETA funds, provided directly to tribes by the Office of Indian and Native American Programs (OINAP) in the Department of Labor, have enabled tribes to:

Provide skill training and remedial education to Indian workers that needed them.

Provide supportive services to enable people to find, take and keep the jobs that are available.

Expose Indian youth to real work environments for the first time in their lives.

Provide thousands of jobs to Indian people who would otherwise not have had them.

And, perhaps most important of all, to establish and implement tribally-determined development plans.

CETA has been one of the relatively few Indian programs that can effectively reach and serve Indian workers in urban areas, as well as on the reservations. This means that if an Indian worker goes into a strange city in search of a job, there is an Indian organization there that knows his or her needs and how to help.

The most convincing proof that CETA was doing a job has been the testimony already laid before the Select Committee regarding what happened when CETA funding was drastically curtailed.

All the paid employees of many smaller tribal governments and native Alaskan villages were laid off when the Public Service Employment (PSE) money was withdrawn late in fiscal year 1981.

On many reservations, health services have been curtailed. Education programs have suffered. Programs serving Indian elders and Indian youth have been hard hit everywhere. Social services of all kinds have disappeared. There has been a sharp drop in housing rehabilitation in many places.

One of the untold stories of tribal CETA programs has been the extent to which CETA has contributed to the development of tribal enterprises, and to Indian-owned businesses generally. Twenty-six of the 33 tribal grantees responding to a recent Coalition survey reported having used CETA funds in direct support of tribal of Indian-owned businesses. In many cases, CETA support has been used to start businesses as part of long term tribal economic development efforts. Much of the money involved has come from the CETA Public Service Employment (PSE) programs. All funding for these particular programs was terminated last September.

DOL's own records show that when the PSE programs ended, most Indian participants had no place else to go. Fifty-nine percent of those terminating from tribal PSE programs were reported as out of all training programs and out of work.

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Even if the Congress approves the Quayle bill, and even if it is fully funded, thus preserving Indian programs in their current form, this would still not fill any of the void left by the termination of the CETA PSE programs. New legislation, or at least new appropriations are needed to give tribal governments the flexible resources that will enable them to design and manage the types of tribally controlled programs that were supported in the past with CETA PSE funds.

Insuring that such resources are put in place has to be among the highest priorities facing this Committee.

Senator COHEN. Patty Marks, welcome back.

STATEMENT OF PATTY MARKS, FUNKE & ASSOCIATES, WASHINGTON, D.C.

Ms. PARKS. Thank you, Mr. Chariman. I am testifying here today from a variety of fronts. First, two of my clients, the National Indian Health Board and the Standing Rock Sioux Tribe have already submitted testimony. I am hoping to tie together, on behalf of a number of my client tribes, our attitude toward the budget.

Second, I am testifying personally as a former staff member of this committee, because there are a couple of points I feel are very important to make.

From that perspective, I personally think the most important fact to recognize in looking at the budget, is what I consider to be the domino effect. Let us look at programs that have been developed in recent years, for example: The community health representatives program, the ambulance program of the Indian Health Service, and Indian education programs. For each of these in isolation a budget cut is devastating, but what you have to look at is how they interrelate. For example, let us look at the community health representatives program. There are 470 emergency medical ambulance drivers funded by the Indian Health Service. Of those, 50 are CETA, many of which were PSE and are already gone.

Another 204 of those are CHR's, meaning that if the CHR program goes down, we will lose over 50 percent of the ambulance services now provided by the Indian Health Service.

Now, this is bad enough, but let us take the third step, which is what will happen if the CHR program is eliminated. A survey that we have looked at indicates that the average tribal ambulance program is making a run at a cost of approximately $35 to $50. Those same runs by private ambulance firms will cost the Indian Health Service between $300 and $350. This money will be paid for under contract from the contract health care budget.

So, that is a prime example of what can happen to an apparently unrelated program.

Similar things are taking place with the adult education program, which provides a considerable amount of the subsidy to such programs as the Standing Rock Community College. Now, with both the community colleges and the adult education budgets being cut, there is going to be a very devastating impact for this community college at the same time that they are being asked to pick over 80 new students this fiscal year.

Looking at this budget from a former staff position, I think in many of the bills that I was involved with, the Older Americans' Act, the Indian Child Welfare Act, the ambulance program, we were always forced to deal with the same situation on the Hill, that the Bureau deals with at OMB. That is the fact that getting a high authorization through the Congress for an Indian bill has always been and remains, extremely difficult.

Therefore, somewhere in the back of our minds, we were always considering what other alternatives were available; how a joint funding arrangement could be pulled together. A prime example of this is the Indian Child Welfare Act. When I was working on that bill with

Mr. Taylor of the committee's staff, we had a section in there which dealt with construction of facilities for group homes, for alcoholism treatment of juveniles, et cetera. When we realized that the total cost was going to be too much money to try to get through the Hill in a difficult year, we eliminated that section, but, at least, in the back of my personal thinking was the fact that the HUD construction program was there. EDA was there. The Bureau HIP program was going to be expanded, and tribes could possibly pick up construction money that way. The same thing was the Older Americans' Act.

The original authorization that we were looking at—Mr. Abourezk was chairman at that time—was an authorization of $25 million.

In dealing with the Congressional Budget Office, we went back and forth negotiating that figure trying to get a budget waiver and we finally dropped the authorization to $5 million. The reason we lowered it was because the Bureau had the general assistance program, and Indian action and we, of course, always had CETA labor.

Now, looking at this at the tribal level, politics at the local level being what it is in the United States across the board, you see a situation where the tribes are being forced to look at their limited tribal resources and make a decision. The decision is: Do we keep these programs alive to service the people who are living right next door to us and watching every move that we make, or do we take what limited resources we have and invest it in economic development.

I think the administration is making a very unfair push to the tribes, in terms of telling a tribal chairman, a local politician that he has to take his money away from that aging program and put it into an economic development project that may not show a profit adquate to support programs until 5 or 10 years down the line.

I think it is a difficult thing to deal with. Taking, for example, the Yakima aging program. That program 1 year ago today was providing services at five locations—it is a very large reservation—3 days a week. The only thing that is paid for out of that aging program has been the director's salary, the vehicle rental, and the food to actually feed these older people. That program has now been dropped to three locations only 2 days a week, because the program itself had to absorb the CETA cut of personnel and pick up the bus driver, the cook, and the person that actually ordered and delivered the supplies. This is happening with every client I have. It is scratch, scratch, scratch at the same time that we see these economic development programs being so stressed by the administration.

I think the article that was in the Post yesterday has kind of glued together another aspect of this, and that was the article about the RIF situation in HHS. We have a number of very trained personnel at, for example, the CHR's—community health representatives—many of them have gone through a minimum of 6 month's training at Government expense. They are the most direct form of contact in the health area for many local people on the reservation. Yet, what I see happening with the elimination of this program is the same type of thing that is happening in many of the Federal agencies. You are eliminating experienced, skilled, and trained people to bring in new, unexperienced, and untrained people with the expense of training coming right out of

the Federal Treasury once again. We really have to ask: Is this a cost saving?

I think my final point is that the administration has seen the block grant program as a chance for tribes to pick up some funding.

I would like to present you with the most vivid example that I have seen recently of what has happened under the blocks—and that is with the Mississippi Choctaw Tribe. That tribe last year was receiving $560,000 from the Community Services Administration. This year under the block grant they are receiving $12,000 plus, and this can be documented by the staff and by the tribal chairman.

In looking at the block grants, I have examined a couple of options that I think might need to be dealt with. When you look at the older American block grants to the States they have traditionally had a minimum block grant given to smaller States; such as Idaho, Utah, Colorado. I think something of this type is needed at the tribal level. A minimum allocation for administration, and then some money over and above. I think to expect the tribes to take a $5,000 grant and spend $1,500 or $2,000 of it to do administrative paperwork is ridiculous.

I think that they should get the same allocation that is now continuing for the State of Idaho under that title III older Americans program I think there is a severe discrepancy there.

In closing, I think that one thing is of critical concern to me; that is that the Appropriations Committees last year required a number of studies of programs. Included in this list of studies are the urban health program, the community services block grant. There is also a study of the CHR's. One thing that I am sure of is that all of these studies will have to be cleared by OMB before they are formally sent to the Hill.

It is, therefore, my feeling that these studies are not going to really show all of the accurate facts unless they are presented to organizations such as Mr. Andrade's National Congress of American Indians, Mr. Savilla's National Tribal Chairmen's, and Mr. Whitecrow's National Indian Health Board for review and comment. The appropriate studies have to go there to allow the tribes to respond and really give you full information on which to base your own decisions.

I thank you very much.

Senator COHEN. Thank you very much, Patty.

Mr. Andrade.

STATEMENT OF RON ANDRADE, EXECUTIVE DIRECTOR, NATIONAL CONGRESS OF AMERICAN INDIANS

Mr. ANDRADE. I will try to move through my testimony quickly in the interest of time. I generally draft these under the belief that I am more long-winded, then I realize we do not have that kind of time.

Senator COHEN. Actually, that is why I saved you for last.

Mr. ANDRADE. Well, I was kind of hopeful to bring up real concise testimony, but it never works out that way. We are, again, coming before the committee to discuss the 1983 budget submissions.

We testified before you personally last year regarding the effects that the budget would have on undercutting the tribal infrastructures. Unfortunately, the 1983 budget offers no new solution to that. We make the same statement. The budget as offered by the administration for

1983 will even more severely undercut the infrastructures of the tribes. We have provided a copy, as a part of our testimony, a budget overview which indicates to us the extent—at least partial extent, the most visible extent of the budget cuts. And those total right now $801 million. Those are the most visible cuts. Those are cuts in HUD and in CETA and ANA and title IC—aging, IHS, and impact aid. Those are not even the other cuts that we will see in the auxiliary programs that are not specifically line items as Indians, such as title II, title VI of CETA, and some of the other areas of CETA. So, at least on the preliminary overview, we are showing a budget reduction of at least $801,000. That does not include the rescissions planned by the administration in this fiscal year, especially the rescissions planned for HUD of the 4,000 units that were previously appropriated by the Congress, and, also, we understand, the rescissions in title IV, education this year.

If we added those figures in—which we do not have—we would be well in excess of $100 million. Almost $1 billion in fiscal 1982–83 in terms of budget loss to the tribes. Those are extensive. I think our greatest concern at this point though, Mr. Chairman, are two other things that are taking place. Our greatest concern lies in the subtle attempts to create divisions and racial animosity among Indian people at this time in the budget.

The budget reductions in areas such as the Indian Child Welfare Act, Urban Indian Health, and title IV have been framed in terms of reservation versus off-reservation Indians. This is a divisive effort in which the National Congress for American Indians will not take part.

We cannot understand how various members of the administration can believe that we would happily turn our backs on our own people. These people whom the budget seeks to eliminate are still our own people. They are still our brothers and our sisters. There is not a new type of Indian as some would think. There is no such thing as an urban or off-reservation Indian. These are only tribal Indians who live off the reservation.

This attempt at the divisiveness, especially this part of urban versus reservation, or off-reservation versus urban can be seen in the Department of Labor's version of the CETA bill. They specifically eliminate in the Department's bill, urban Indians or off-reservation programs. There offer to us is, well, do not worry about them. They can go to the State. That is really not something you should be worrying about. We met with them to discuss their preliminary bill.

We told them then, and we wanted to say it on the record that we oppose this idea and instead support the needs to service Indians irrespective of where they reside. In that, we support the Indian's CETA coalition efforts on the Hawkins-Quayle bill.

Just as insidious, we feel, are the attempts to create racial animosity among Indian people. Additionally, some Members of Congress appear to want to fan some type of racial flames between Indians and non-Indians.

The decision to consolidate title IV, Indian Education, has taken on the distinction of attempting to throw out the non-one-quarter bloods who may be receiving service. This is sadly not the first time that this type of racial approach has been used to sell an Indian education consolidation idea.

The tribal councils in 1978 rejected a similar idea for the same reasons we reject this idea. Title IV serves a broader constituency than the BIA, and a merger would destroy the uniqueness of both agencies. As such, NCI opposes the consolidation of the title IV Indian education programs, but unfortunately, we do not think that this is going to stop some of these racial type attacks.

Two specific issues have arisen that we feel must be stopped. First, NCAI hopes that this committee can help us finally lay to rest the question of services under the title IV education program and the Indian definition study.

In 1978, the U.S. Supreme Court in *Martinez* v. *Santa Clara Pueblo* reaffirmed that the tribes and nations retained the sovereign authority to determine their membership. Thus, it has been the NCAI's position—and will continue to be—that the Indian definition study is unnecessary.

The *Martinez* ruling said it was up to the tribes to determine their membership. We do not understand why it requires anyone else now to go in and say, we shall define Indian memberships.

Further, the legislative history of title IV is an acknowledgement of the United States responsibility to all Indian tribes whether they be federally or State recognized, or terminated tribes. The legislative history of that act speaks specifically to that. They mention terminated tribes in the legislation. This was done because the Government recognized the devastation it had caused on Indian people through relocation, assimilation, and termination, OIE, as well as recognize the need to insure that in fact Indians were receiving the planned service.

OIE attempted to clarify the eligible recipients by instituting the 506 form. We went on record last year, and the year before supporting the use of the 506 form. Unfortunately, other Members of Congress, in particular, opposed the 506. We support their use and, instead, we would request that this committee insure that OIE receive greater enforcement and legal authority to prosecute those school districts and individuals who had misused this program. NCAI will lend whatever assistance to help identify any fraudulent district or individual if their complaint against title IV is that fake Indian or non-Indians are misusing title IV, we felt 506 could clarify it. The 506 form is a well-designed form. It could take out, and it should take out non-Indians who have snuck into the program.

We felt that if we could get that form better implemented, then we should be able to clean up any problems. But we would be the first to admit we have problems in title IV, but we have only instituted the 506 forms for 2 or 3 years. GSA has been in existence since, I do not know when, and they have bigger problems than we have which they can not clean up; and they keep trying every year. I mean, give us more than 3 years is all we are asking the Congress. More than 3 years to clean up, and then we will clean up that division.

In the discussion of the racial problems, racial division that is being proposed; we would bring up something else and that is the Ancient Indian Land Claim Settlement Act, simply to say that we believe that this is a very improper bill. It comes at a time when we do not believe that this type of racial discussion should take place. Many of the public statements made on this bill have fanned racial animosities between

the Indians and these States and the tribes themselves and the non-Indians. We feel that is wrong.

We do not understand why it is that Indians should be stripped of their rights to settlement in the courts. The only reason we can guess is that we are nonwhite, and, therefore, a good target for such a bill.

NCAI rejects the bill and asks that this committee and all fair-thinking Americans reject this Ancient Indian Claim Settlement Act.

We bring this up, Mr. Chairman, for a very specific reason. We feel that all of these cuts come within the same area, the same ideal, that we fear that there may be an attempt to destroy the Federal/Indian relationship, or that there is an attempt to destroy it. It is frightening for us that OMB, who proposes cuts in all the various agencies, is the same agency who has proposed what we consider to be a racial division effort by merging title IV with BIA, and at the same time OMB is also on record as supportive of the Ancient Indian Land Claim Settlement Act.

All three of those together make us wonder about the entire cuts that we are taking. As I said, the cuts will have devastating effects.

I will try to move fast through this one, Mr. Chairman, in the interest of time.

We do not feel that the ANA can sustain its services under the cuts being proposed by the administration. ANA has not had an increase since 1974 and has suffered a 25-percent reduction in just 2 years. NCAI opposes the administration's decision to reduce the ANA budget.

NCAI cannot understand the cuts in our aging program. The President has continually expressed his support of aging projects, yet aging is due to be reduced by $3 million in the 1983 budget. These are Indian aging projects. We oppose this cut as well.

We do not understand why our Indian elderly fall below the President's respect for continuation. Every other aging project right now is being more heavily supported. We feel that the 1983 budget will only cause greater misery. We are asked to sustain greater cuts, but no alternatives mitigate these cuts that are being offered.

We have some recommendations, Mr. Chairman, that we would like to make. NCAI would request that this committee assist in insuring that tribal governments be made an eligible entity for the Urban Enterprise Zone Act. We would request that no less than 4 of the proposed 20 projects be set aside specifically for tribes in 1983.

Mr. Watt, in our meeting of January, and the President have both expressed their support of the Urban Enterprise Zone Act. They have also mentioned that they thought that Indians should be included, but there will be only 20 projects in 1983. That means that tribes must compete with every other city and locality that wants an Urban Enterprise Zone Act program.

Senator COHEN. I am looking for a rural enterprise zone act myself.

Mr. ANDRADE. I have got to make sure. They change their titles on us.

We do not feel that the tribes will get service under that act unless there is a specific set-aside set for the tribes.

As well, NCAI requests that this committee call for immediate hearings on the Tribal Tax Status Act before this committee and other appropriate committees of the House and Senate. If we are to find the

economic alternatives that the President has offered in the legislation, then we have to have a method to get that.

The Bureau's own imaginative initiative or new economic development initiative will pay only 25 percent of any new economic development project. If we had the 75 percent to begin a project now, we would not need the 25 percent. We do not have the other 75 percent. We feel that the two acts could provide us that 75 percent. Those combined with the Bureau's efforts—with their new economic development effort could then possibly offset the losses we are going to experience in CETA and all the others.

We feel, as I stated a few minutes ago, we do not agree with the cuts in Indian Child Welfare Act, the title III CETA Acts and the urban Indian health reductions.

We would ask that this committee take under consideration that we feel that the agencies are in violation of *Ruiz* v. *Morton* and the *Seminole* v. *U.S.* cases in reducing or eliminating urban Indians, or off-reservation Indians from services under those acts.

Under section 202 of the Indian Child Welfare Act, it specifically provides for urban or off-reservation programs to be serviced. The Bureau of Indian Affairs notified us that they can amend a legislative act because of the Budget Act. This was their opinion. This was even a verbal opinion given by the solicitor. I do not know where they get that kind of legislative review. Our understanding is that to amend a legislative act requires legislative action by the Congress. They feel they can do it through budget. We feel that that violates the *Ruiz* v. *Morton* decision.

We believe the elimination of urban Indian health programs versus the *Ruiz* v. *Morton* decision. We believe that the other cuts that are specifically directed against the off-reservation Indian violate the *Ruiz* v. *Morton*. We would ask that this committee review—notify the agencies that we will not accept this and that we expect the agencies to live up to the legislative language.

Under the maternal/child health block grant this administration has proposed an amendment that would include WIC into the maternal/child health block grant. We would ask this committee, in the tribe's behalf, to insure that tribal governments are included as direct eligible recipients for the maternal/child health block grant. According to the administration, it was an oversight in last year's hearings. The tribes are not included. We feel it is very crucial.

We are not, though, supportive of the intent to consolidate WIC with the maternal/child health block grant. Currently, 31 tribes receive Federal funding directly to administer WIC programs on the reservation. These tribes have already established administrative plans which allow them to share facilities, staff, and other resources with local IHS programs. The WIC service has greatly benefited from this. We feel that they could cause a disruption, and we would be very cautious about any support of the transfer to the WIC into the maternal/child health block grants, especially since—and, again, Mr. Chairman, since we are not in there.

There are two final points, Mr. Chairman, and I will not take up any more of your time—I have been saying that for a few minutes. There are two points. One is that the administration——

Senator COHEN. You would qualify for the Senate based upon that.

Mr. ANDRADE. Well, I am trying to do this very quickly.

Senator COHEN. You are doing it very eloquently.

Mr. ANDRADE. One of the problems of coming to Washington, D.C., is you learn to get long-winded for some reason. I do not mean that personally, Mr. Chairman. But I have noticed other people in testimony.

Senator COHEN. It happens to all of us.

Mr. ANDRADE. There are two proposed programs, or one in particular. The President and the administration is proposing a bill that would take much of the Federal land and sell it back to the States, or sell it for revenue gaining, revenue enhancement, I guess. That is what OMB calls it nowadays. It is our understanding that that would result in $400 billion in returned assets to the Federal Government.

We agree with that, a return of the Federal lands, except we think they are returning the Federal lands to the wrong parties. The tribes will not receive any benefit from that whatsoever. This is land ceded by the tribes, or taken from the tribes, or stolen, depending upon which words you want to use. The administration though does not discuss what efforts the tribes have, nor have they said what type of return, possibly, the Indians would receive from this sale. I cannot remember what Senator has the bill in there. Anyway, he did say that he was not discussing Indian lands, which we agreed to, but we also feel that the tribes should be made party to this sale, or a party to the return since it would give us an opportunity to create a better economic base and give us more land so that we can develop our communities much further.

The last recommendation, Mr. Chairman, is that we would request that this committee call before it, Mr. Eliot Abrams, who is the Assistant Secretary for Human Rights within the State Department, to discuss human rights in relation to the Indian people of the United States. Mr. Abrams has made extensive statements on the human rights violations of the Nicaraguan Indians, which we support. We are very concerned about their rights being violated.

We also feel though, that there are certain areas of the human rights that are being violated in this budget. We cannot understand the cutback in the CHR and EMS programs which will leave our elderly and our sick on the reservations with no service.

We cannot understand the ever increasing unemployment rate. We cannot understand cuts in the water and sewer systems that protect our people from health problems due to groundwater contamination. Those, as well, constitute human rights violations.

We would ask that this committee call before them Mr. Abrams. Mr. Abrams has specific responsibilities in responding to the Helsinki Accords in regards to Indian human rights. We think it is time that we finally had them testify as to their position on human rights.

That is actually the end of my statement, Mr. Chairman.

We really are concerned, Mr. Chairman, the way the budget has developed, and the way it is being fostered on the tribes. They are asked—it is an old history for us of the tribes being used to fight each other. In the old days the Army used one tribe to fight against another tribe, and when that tribe got through fighting with those tribes, they

banned together and fought against another tribe, and the United States kept promising it will get better. If you help us fight this tribe, we will help you. We will get you more land, and by the time we got through fighting each other, there was nobody left. We had fought ourselves almost to death, to extinction, and we had helped. We have no one to blame in our history for much of the westward expansion except ourselves. We helped the United States expand to the west because we kept on defeating other tribes in their behalf, but we are not going to accept that any further.

Any efforts by the United States to say, fight with us against this group; fight with us against the urban Indian; fight with us against the nonfully recognized, that the State recognized, we will not accept. We did that too much in our past, and we cannot see them again now offering us that in 1983. I guess we look to this committee to help us stop that. We are tired of fighting ourselves.

Again, we ask that this committee take under consideration that all of our people have the right to be served. All Indians have the right to be served, and that is what we ask.

Thank you, Mr. Chairman.

Senator COHEN. Thank you very much, and thank all of you for your testimony.

Mr. Andrade, your prepared statement will be made part of the record at this point.

[The statement follows:]

PREPARED STATEMENT OF RON ANDRADE, EXECUTIVE DIRECTOR, NATIONAL CONGRESS OF AMERICAN INDIANS

We appreciate the opportunity to appear before this Committee to present testimony regarding the 1983 budget and its effects upon American Indian people.

We are called upon once again to respond to a federal budget that supposedly offers a ray of hope because of the small percentage reduction in the BIA budget while at the same time almost totally eliminating Indians from other federal budget areas.

We testified in last year's hearings of the undercutting of the Tribal infrastructure because of the adverse effects of the budget cuts.

Unfortunately, the 1983 budget offers no answer to the problem of the declining resource to support these infrastructures. We have prepared for this testimony a brief analysis of the budget areas. First, we would like to bring up some other pressing concerns.

Our greatest concern lies in the subtle attempts to create divisions and racial animosity among Indian people. The budget reductions in areas such as Indian Child Welfare Act, Urban Indian Health, and Title IV have been framed in terms of reservation versus off-reservation Indians.

This is a divisive effort in which the National Congress of American Indians will not take part. We cannot understand how various members of the Administration can believe that we would happily turn our backs on our own people. These people that the budget seeks to eliminate are still our people brothers and sisters. There is not a new type of Indian as some would think. There is no such thing as an urban or off-reservation Indian. There are only tribal Indians who live off the reservation.

This attempt of divisiveness can be clearly seen in the Department of Labor's version of the CETA bill. This bill would totally eliminate the service to programs providing service in the off-reservation areas. We oppose this idea and instead support those bills that recognize the need to service Indians irrespective of where they reside.

Just as insidious are the attempts to create racial animosity among Indian people. Additionally, some members of Congress appear to want to fan racial flames between Indians and the non-Indians.

The decision to consolidate Title IV, Indian education has taken on the distinction of attempting to throw-out the non-one-fourth bloods who may be receiving service. This is sadly not the first time that this type of racial approach has been used to sell an Indian education consolidation idea. The Tribal Councils, in 1978, rejected a similar idea for the same reasons we reject the idea this time. Title IV serves a broader constituency than the BIA and a merger would destroy the uniqueness of both agencies.

But, this will not stop the racial attacks that have begun. Two specific issues have arisen which we feel must be stopped.

First, the NCAI hopes that this Committee can help us finally lay to rest the question of services under the Title IV education programs and the Indian Definition Study.

In 1978, the U.S. Supreme Court in the *Martinez* v. *Santa Clara Pueblo* reaffirmed that the Tribes and Nations retained the sovereign authority to determine their membership. Thus, it has been the NCAI's position that the Indian definition study is unnecessary.

The legislative history of Title IV is an acknowledgement of the U.S.'s responsibility to all Indian Tribes whether they be federally or State recognized, or terminated Tribes. This was done because the Government recognized the devastation they had caused on Indian people through relocation, assimilation, and termination. OIE as well has recognized the need to insure that in fact, Indians were receiving the planned service. OIE has attempted to clarify the eligible recipients through use of the OE 506 forms. The NCAI has supported the use of the 506 forms. Instead of stopping this program through consolidation, we would request that this Committee insure that OIE receive greater enforcement and legal authority to prosecute those school districts and individuals who would misuse this program. The NCAI will lend whatever assistance to help identify any fraudulent district or individual.

The second problem is a greater threat because it seeks racial division. The introduction of the Ancient Indian Land Claims Settlement Act is an example of this type of thinking. We can support those people who want to help settle Indian land claims issues because Indians have been waiting 200 years for the same thing. But, that has not been the issue in this Bill. Certain members of Congress, particularly in the House, would rather have the issue a racial one instead of a legal claims one. Why is it that Indians would be stripped of their rights to settlement in the Courts? The only reason we can guess is that we are non-white and therefore a good target for such a Bill.

The NCAI totally rejects this Bill and we ask that this Committee and all fair thinking Americans to reject this Ancient Indian Land Claims Settlement Act.

The NCAI has brought up these concerns because we feel that they have a direct bearing upon how we view the 1983 budget and its impact upon Tribes. We still do not feel that the administration has adequately reviewed the impact of these cuts upon the Tribal structures. The fact that OMB helps in preparing the budget and at the same time is involved in the decision to consolidate Title IV as well as supporting the Ancient Indian Lands Bill cannot help but have us wonder of the attempts to destroy the Federal-Indian relationship.

A brief review of our budget review will explain our concerns. Based upon the public announcements made by the various departments, the total direct loss to be suffered by Indian Tribes is over $801 million dollars in 1983. This breakdown is as follows:

Title IV, OIE—$26.7 million in the transfer plus an unknown recission in 1982;

Title 2, School Construction—$8.0 million;

HUD—$700 million for 1983 plus a planned recission of all funds allocated in 1982;

ANA—$4.3 million;

Aging—$3.0 million;

IHS—CHR—$28.0 million, Urban—$9.0 million; and

CETA, Title III—$24.0 million.

This overall figure does not represent the losses in auxiliary programs such as Energy, EDA, CETA, Title II and VI, and others.

These cuts will have devastating effects. A program such as ANA cannot sustain its services under such cut. ANA has not had an increase since 1974 and has now suffered a 25% reduction in just two years.

The NCAI cannot understand the cuts in our Aging program. The President has continually expressed his support of Aging projects. Are our Indian elderly below his level of respect that we should sustain a cut?

The entire 1983 budget outline will only create greater misery within the Indian communities. This Administration continues to ask the Indian people to sustain cuts without offering any alternatives to mitigate those cuts. The return of services to the States will not help Tribes. This is a greater danger to the Tribes if this is the Administration's hidden agenda. To drive Tribes into the arms of the States.

The Administration must provide alternatives for the Tribes if Tribes are to be forced to accept further cuts. To do this we would propose the following recommendations:

The NCAI would request that this Committee assist in insuring that Tribal Governments be made an eligible entity for the Urban Enterprise Zone Act. We would request that no less than four of the proposed 20 projects be set-aside specifically for Tribes in 1983. If Tribes are to weather these cuts then they must have access to increased economic programming. A set-aside in the Urban Enterprise Zone Act for Tribes would help insure that economic help.

The NCAI would request that this Committee call for immediate hearings on the Tribal Tax Status Act both before this Committee and other appropriate Committees of the House and Senate. This Act would provide for the Tribes a source of economic development support not previously available.

In respect to the cuts in specific programs, we would request this Committee's intervention in the following areas:

First, the NCAI states that the reductions in the Indian Child Welfare Act, the Title III CETA, and Urban Indian Health are in violation of the U.S. Supreme Court ruling in the *Ruiz vs. Morton* and the *Seminole vs. U.S.* cases. We request that this Committee notify the agencies and Administration that the budget submissions must take these rulings into consideration. The NCAI has been informed that it is the presumption of some federal officials that the specific legislation authority of programs such as the ICWA which provides for Urban groups can be amended through budget act. The NCAI rejects this belief and we call upon Congress to demand that the legislative intent and wording of these specific acts be complied with.

The Administration has proposed to expand the Maternal and Child Health Block Grant to include the WIC program in fiscal year 1983. Secretary Schweiker has described the Administration's goal in converting additional programs into a block-grant format by noting that, under this format, "the states will have maximum flexibility to set priorities, better integrate services and delivery sites, and meet the needs of their citizens."

Tribes have the same concerns as states in this regard. The government-to-government relationship which led to the direct funding of tribes under five of the HHS block grant programs in fiscal year 1982 should be extended to allow tribes to be direct recipients of the MCH block grants in fiscal year 1983.

The NCAI does not, however, support inclusion of the WIC program within the MCH block. Currently, 31 tribes receive federal funding directly to administer WIC programs on their own reservations. These tribes have already established management plans which allow them to share facilities, staff and other resources with local IHS programs; their WIC services benefit greatly from these arrangements. Other tribes have been able to develop effective relationships with state-based WIC programs and would prefer not to see those existing relationships altered at this time.

As Secretary Schweiker himself recognized in regard to the present block grant programs, tribal members are best served by their own tribes which are most cognizant of and sensitive to their needs. Were tribes to suddenly be excluded as eligible WIC "state agencies" states would then have to assume the costly task of setting up additional clinics where successful and cost-effective facilities and staff are already in place. Or worse yet, the historic animosity of states towards their Indian residents may preclude services being made available to Indian women and children in those locations.

We urge that MCH be expanded to include tribal direct funding, but that WIC be left as is with adequate funding.

There are two final specific requests we have of this Committee:

The Administration has gone on record and we understand there is proposed legislation to sell all the federal lands to States. The idea is to gain approximately $400 billion for the United States from this sale. The NCAI agrees with the idea that the lands administered by the Federal Government be released from Federal Authority.

The NCAI does not agree with the present proposal. NCAI would request that the federal lands be returned to their original owners, the Tribal Governments.

The Tribal Governments should be returned the land so that they might use this land to better develop their economies and overall governments.

Our final recommendation refers to the overall testimony we have presented.

The NCAI requests that this Committee take an important step in recognizing the federal government's responsibility to Indian people. NCAI requests that the Assistant Secretary for Human Rights, Mr. Elior Abrams, be called before this Committee to discuss Human Rights in relation to the Indian people of the United States. Our request is based on the belief that an elimination of life saving programs such as the CHR and EMS programs, the elimination of water and sewer planning, the reduction of programs such as ICWA that protects our children, and an ever increasing unemployment rate is a violation of Human Rights.

During this testimony we have mentioned attempts to divide and turn our people against one another.

The Administration may find some Indian people who are willing to go along with this idea.

But not NCAI. This whole area is reminiscent of past times when one Tribe was used against another in war. The Tribes kept being told that the enemy Tribe would be the only one to suffer. And when all the fighting was over, every Tribe found themselves stripped of their freedom and land. And by the time the Tribes had realized they had been used and had stood silently by because it was not their Tribe being hurt, it was too late. And they realized there was no one left to help because they had fought against anyone whom they could turn to.

So now it is our history that we turn to this Committee for help. The NCAI will not join with those that would seek to have us fight our own people regardless of where they live.

It is our hope that this Committee can again help to protect the rights of all Indian people.

BUDGET OVERVIEW

[In millions]

	1982	1983
HUD	[1] $700	0
CETA, title III	[2] 69	$45
ANA	28	24
Title IV, OIE	78	51
Aging	9	6
IHS:		
CHR	28	0
Urban	9	0
Impact aid	9	0.84

[1] Rescinded.
[2] Actual.

DEPARTMENT OF EDUCATION

The Reagan Administration proposes to dismantle the Department of Education in 1983, and to replace it with a Foundation Assistance responsible for block grants and consolidated aid for state and local educational agencies, student loans and grants and other educational functions. As part of this proposal, the Department's Indian Education Assistance program funded under Title IV of the Indian Education Act would be transferred to the Department of Interior, within the BIA. The program would absorb a major cut of $26.7 million.

The Impact Aid program (Pub. L. 81-815) is proposed to be transferred to the Department of Treasury; however, Indian school construction on Indian lands is proposed to be reduced from the fiscal year 1982 level of $9 million to $0.84 million in fiscal year 1983. Funding is requested only for basic administrative cost items from completion of projects already begun under 815 moneys. No new Indian school construction under 815 is planned for fiscal year 1983.

ECONOMIC DEVELOPMENT ADMINISTRATION (EDA)

EDA, slated for termination last year by the Reagan Administration, is currently surviving under continuing resolution through March 31. The Administration has included no EDA authorization for fiscal year 1983, and has placed the agency under administrative mandate to use its fiscal year 1982 funds only for projects "in the pipeline" and for phase-out operations. The EDA Indian Desk was terminated last year.

HUD INDIAN HOUSING PROGRAM

As was the case last year, new construction starts in the HUD Indian housing program have been targeted for elimination in this year's budget request. The Administration has requested no new appropriations for Indian housing construction contracting for fiscal year 1983. In addition, appropriations approved for fiscal year 1982, which would have provided for starts on 4,000 units (at an annual contracting authorization level of $25.112 million) would be rescinded under the President's proposal. The President has announced the formation of a Task Force on Indian Housing to review the program and to recommend policy alternatives.

DEPARTMENT OF ENERGY (DOE): INDIAN AFFAIRS

The DOE Indian Affairs program has been a major source of technical assistance to the energy resource tribes. Under the Administration's proposal, the Department of Energy would be dismantled, with major functions either terminated or transferred to the Department of Commerce (within a proposed Energy Research and Technology Administration), and the Departments of Interior and Justice. There is no provision for the transfer of the Indian Affairs program to these other Departments. In addition, major cuts in other DOE programs (e.g., Fossil Energy programs would be cut from $417 million to $107 million in fiscal year 1983; Conservation, Solar Energy and Other Renewables would be cut from $363 million to $101 million), would leave the tribes with very few alternatives for obtaining energy assistance.

ADMINISTRATION FOR NATIVE AMERICANS

ANA is a key agency for promoting tribal economic development and self-sufficiency, including strengthening the management capabilities of tribal governments. The agency is targeted for an 18-percent cut next year. The Financial Assistance grants budget of ANA is proposed to be cut by $4.3 million next year. ANA estimates that the number of tribal projects initiated under these grants will be reduced to 135, compared to an estimated 179 projects supported in fiscal year 1982.

Senator COHEN. We have two more witnesses this morning. Mr. Mike Doss, I believe, has arrived, and, also, a Mr. Robert Peacock, who is the executive administrative director of the Fond du Lac Reservation in Minnesota. Is Mr. Peacock in the audience?

Thomas White, the lieutenant governor of the Gila River Indian Community, Sacaton, Ariz.

Mike Doss, Thomas White, would you come forward, please.

Are you Mr. Peacock?

Mr. PEACOCK. Yes, sir.

Senator COHEN. Please proceed, gentlemen, and try if you would to summarize your testimony as best you can.

We will proceed with you, Mr. White.

STATEMENT OF THOMAS WHITE, LIEUTENANT GOVERNOR, GILA RIVER INDIAN COMMUNITY, SACATON, ARIZ.

Mr. WHITE. My name is Thomas White and I am the lieutenant governor of the Gila River Indian Community.

I am pleased to have this opportunity to appear before the committee on behalf of my people, the Pima and Maricopa Tribes of Arizona.

The Gila River Indian Community is very concerned about the effects of the proposed budget reductions in education programs. The Gila River Indian Community has always considered education to be one of the three programs most essential for the advancement of the Gila River people.

The proposed reductions will have a drastic impact on all levels of education throughout the reservations. The current fiscal year 1982 budget requires the elimination of two positions and further reductions in 1983 would render that administrative program totally ineffective.

No. 1, education programs would be without leadership and guidance;

No. 2, future planning would be negligible;

No. 3, program support in the form of staff development, curriculum development, and program development would be eliminated; and

No. 4; the dissemination of information would be greatly curtailed.

The Gila River Indian Community requests Congress to insure that funds for education administration offices on the Gila River Indian Community become commensurate with the responsibilities and duties of said office.

Restore the funding level of Public Law 81–874.

A proposed reduction of impact aid to the public school district on the reservation will result in a 30-percent loss of operational funds. The reduction of funds could possibly result in the elimination of food, transportation, music, art, and vocational programs. Sixteen certified staff positions may have to be eliminated as well as all teacher aid positions. Because of the adverse effects of these reductions to the Gila River Indian Community, we respectfully request Congress to restore the funding level of Public Law 81–874.

Reduction of basic educational programs. Many of the programs that expose Indian children to the world around them will be eliminated. In some cases, the replacement of outdated textbooks will be postponed and equipment needs will not be met. Preschool programs will be eliminated and cafeteria programs will be sharply reduced.

The Gila River Indian Community requests Congress to: No. 1, insure that Indian school equalization formula provide adequate operational funds to the Bureau of Indian Affairs' schools and tribally controlled contract schools; and

No. 2, that they insure pre-school funding for community educational programs.

Title I. Gila River Indian Community received a 9-percent cut in title I funds which will require the termination of schoolteacher aide positions. Students will suffer by not receiving the extra instructions necessary to bring their math and reading skills up to the appropriate level.

The Gila River Indian Community requests Congress to maintain title I funding at the fiscal year 1981 level.

Special services. The Gila River special services program provides educational service to handicapped students with services throughout the reservation. The special services program has been operating at the same level for the past 3 years and has been highly commended for its effectiveness by Mr. Charles Johnson, acting director of Indian education programs.

The budget reduction will result in the elimination of staff positions and will prevent program services from being delivered to all the schools identified as "special." Already, 20 students identified as gifted do not receive services. If funds are not available for the special serv-

ices program, Gila River will not be in compliance with Public Law 94–142.

Gila River Indian Community requests Congress to insure adequate fundings to provide services which are mandated under Public Law 94–142.

Johnson-O'Malley. The reduction of Johnson-O'Malley funds for Gila River Indian Community will cause the elimination of two projects within the tribal Johnson-O'Malley program. Students will be unable to purchase the necessary textbooks required for school.

A physical education project designed to reduce the probability of diabetes in later life will be eliminated.

Gila River Indian Community requests Congress to maintain the funding level of the Johnson-O'Malley program at the fiscal year 1982 level.

Element ten, Public Law 93–638 contracts have been eliminated. The elimination of these two elements and contracts will directly affect approximately 500 students annually. Four positions have been eliminated and hundreds of students will be abandoned.

Gila River Indian Community requests Congress to restore the funding of element ten, Public Law 93–638. The education of the Gila River Indian Community members is of great concern for the Gila River tribal leaders.

The reduction of some supplemental programs is to be expected. However, the elimination of supplemental programs combined with the reduction of basic programs cannot be tolerated.

Gila River Indian Community respectfully requests the President and the Congress of the United States of America to carefully consider recommendations we have presented.

Senator COHEN. Thank you very much, Mr. White. Your prepared statement will be made part of the record at this point.

[The prepared statement follows:]

PREPARED STATEMENT OF THE GILA RIVER INDIAN COMMUNITY, SUBMITTED BY THOMAS WHITE, LIEUTENANT GOVERNOR

EFFECTS OF PROPOSED BUDGET CUTS ON EDUCATION PROGRAMS AT GILA RIVER INDIAN COMMUNITY, SACATON, ARIZONA

The Gila River Indian Community directly or indirectly, provides educational programs and services to approximately eight thousand Gila River Indian Community members. The Gila River Head Start Program, comprised of seven centers throughout the reservation, provides the initial formal educational experiences for Gila River youth. One tribal contact school (Blackwater Community School), two Bureau of Indian Affairs schools (Casa Blanca Day School, Gila Crossing Day School), two parochial schools (St. Peters Elementary, St. Johns Elementary), and one State-supported public school (Sacaton Elementary) provide elementary instruction on the reservation. In addition, eight elementary public school districts surround the reservation. Junior high school students may attend one of the eight junior high schools in these districts or they may attend Sacaton Junior High School. High school students may attend one of the six public school districts that serve the Gila River Indian Community or one of the three BIA off-reservation boarding schools. Post-secondary students have the opportunity to receive technical training or earn an advanced degree in almost any post-secondary institution in the nation.

In addition to the above-mentioned programs the Gila River Indian Community also provides several supplemental programs to Gila River students. The Title I Program, Special Services Program, Johnson O'Malley Program, Community

Education Program, and Counseling Services Program provide additional but necessary services to the youth of the Community.

The proposed budget reductions will impact heavily on the Gila River Education Programs; not only supplemental programs, but administration and basic programs as well.

The administration of the educational programs on the Gila River Indian Community is a joint effort between the BIA Superintendent of Education and the Tribal Deputy Director of Education.

The fiscal year 1982 budget for the Bureau administrative functions, according to the Basic Funding Unit formula, will not cover the cost of personnel, which consists of one Education Superintendent, one Education Specialist and one clerk-typist. The administrative budget does not include enough funds to operate their office effectively nor to provide administrative support to programs, despite the fact that these individuals are held directly or indirectly responsible for all educational programs and activities on the reservation.

The proposed reduction of impact aid to the public school district on the reservation will result in a 30-percent loss of operational funding for fiscal year 1984. The school district will not be able to recoup these losses through taxation because 98 percent of the students reside on federal trust land which is not available to the state for taxation. The only alternative method of staying within the proposed budget is to reduce or eliminate educational programs offered by the district. Possible programs to be eliminated or reduced in scope would include music, art and vocational programs, eliminating half of the cafeteria program, and eliminating sixteen of forty-four teacher positions. Public school districts surrounding the reservation will also be faced with similar budget problems. The reduction of impact aid funds to the affected school districts will result in inadequate and ineffective educational programs for Gila River youth.

Blackwater Community School is also considering eliminating basic educational programs due to proposed budget reductions. The pre-school program which provides the initial formal educational experience to 15 three-year-old children will be eliminated. This action is necessitated by the elimination of BIA pre-school funds. In addition, Blackwater Community School could lose an additional thirty thousand dollars in supplemental funding. The combined impact on the budget cuts, in addition to the elimination of the pre-school program, could be a reduced cafeteria program, reduction of parental involvement efforts, reduction in the transportation programs, staff development efforts would be eliminated, and the Pima language and culture program would be eliminated. The following staff adjustments would be made: elimination of a certified teacher, elimination of a pre-school teacher, elimination of one-and-a-half teacher aides, and elimination of a bus driver/cook's helper. The principal position would change to a teacher/principal position, and the maintenance/janitor position would change to a maintenance/janitor/bus driver position. Blackwater Community School will obviously be devastated by the proposed reductions. Many of the outstanding programs offered at Blackwater will be eliminated and the task of rebuilding these programs will, at best, be slow and tedious; at worst, impossible.

Supplemental program funds have also been reduced or eliminated. Although these funds provide for additional programs their importance to the students' growth is incalculable. The Title I Program received a 9-percent reduction in funds. For the Gila River Indian Community this will require the elimination of two teacher aide positions. As a result students identified as having difficulty with math or reading will not receive the extra instruction necessary to bring these skills to the appropriate level.

The Gila River Special Services Program provides a myriad of services to handicapped students throughout the reservation. This program is mandated by Public Law 94-142 to provide currently funded GRIC services, i.e., student screening, referral process, evaluations, development of Individual Educational Programs, coordination of services, training and administration. The Special Services Program has been operating at the same budget level for the past three years; however, the increased cost of supplies and materials, as well as cost-of-living increases in salary has severely limited the programs' ability to deliver services. A budget reduction can only be absorbed by terminating of staff, an action that will obviously have a direct effect on the children identified as needing services. We will not be able to serve them. Twenty identified "gifted" chil-

dren are not receiving services now due to budget restraints. Additional budget reductions would cause the Gila River Indian Community to fall out of compliance with the laws mandating special education services.

Gila River's Johnson O'Malley Program includes five areas: transportation, counseling services, special services, parental cost, and administration. The proposed budget reductions would eliminate the parental cost and all of the special services portion of the program. Two hundred twenty-three elementary children and four hundred high school students would be directly affected by the budget reduction. In the State of Arizona, text books, fees and other school related expenses are not provided by the school. Consequently, every semester parents are faced with the financial responsibility of paying for books, supplies and related fees. In many instances, parents are not financially able to meet these commitments. As a result, students quickly fall behind in their school assignments. In other instances, parents are able to purchase the required books, but only after borrowing money or re-budgeting the family income. These actions require time, and once again the student falls behind in school. To prevent this we need to be able to ensure that students are provided with all the necessary books, supplies and fees at the beginning of each semester.

Both the Tribal Council and Tribal Education Department recognize the health and physical education needs of the Gila River Indian Community. In fact, health statistics reveal that the Pima people have the highest incidence of diabetes in the country. Studies seem to indicate that there is a direct correlation between diabetes and people who are overweight. It is estimated that approximately 50–75 percent of the students in two schools located on the reservation exceed the average weight for children their height and age. By integrating a comprehensive physical education program into the curriculum of the two pilot project schools, an effort has been made to reduce the weight of students who exceed the national norm. Through weight control and exercise, the probability of developing diabetes later in life will be reduced. If the Johnson O'Malley Program is not funded at its current level these two vital components of the program will be eliminated.

The elimination of element 10 funds from Pub. L. 93–638 contracts has had a major impact on the reservation. Two 638 contracts have been eliminated, thus negatively affecting approximately five hundred students annually. In addition, the higher education counselor employed to provide direct counseling services to post-high school youth in vocational and academic planning, as well as counseling adjustment and achievement in institutions of higher learning has been terminated. (The counselor was also responsible for administering the funds set aside for BIA scholarships.)

The elimination of element 10 funds will require the termination of the Gila River Indian Community Education Program, a program which now provides a vital link between the three off-reservation boarding schools and the Gila River Indian Community. The community education coordinator provides for the processing of off-reservation residential school applications and maintains a communications link among the off-reservation schools, the home and the Community. During the 1981–82 school year, two hundred thirty-three Gila River students attended off-reservation boarding schools and approximately thirty new freshman students are processed each summer. In conclusion, failure to restore element 10 funds will have a devastating effect on the education programs on the Gila River Indian Reservation.

RECOMMENDATIONS

The Gila River Indian Community requests the President and the Congress of the United States of America to:

1. Ensure that the Basic Funding Unit formula for the allocation of funds to the BIA educational administrative offices is commensurate with the responsibilities and duties of said offices.
2. Restore the funding level of Public Law 81–874.
3. Ensure that the Indian School Equalization Formula provides adequate operational funds to BIA schools and tribally-controlled contract schools.
4. Ensure pre-school funding for community education programs.
5. Maintain Title I funding at the fiscal year 1981 level.
6. Ensure adequate funding to provide services which are mandated under Public Law 94–142.
7. Maintain the funding level of the Johnson O'Malley Program at the fiscal year 1982 level.
8. Restore the funding of element 10 Public Law 93–638 contracts.

GILA RIVER INDIAN COMMUNITY

RESOLUTION GR-15-82

Whereas, the Gila River Indian Community Education Department has responsibly and accountably operated the Community Education/Off-Reservation Boarding School Program contracted under Element 10, P.L. 93-638,

Whereas, the Off-Reservation Boarding School component of the tribal education division speaks to the need of students by providing an alternative education program whereby identified educational deficiencies and social needs (not sufficiently or adequately met in local public schools) are met, and

Whereas, for those students attending the Off-reservation boarding schools and their families, liaison and support personnel are necessary to execute a myriad of coordinating and counseling services to enhance academic progress and personal development of affected students, in addition to the financial management of the Contract, and

Whereas, may tribes, including the Gila River Indian Community, depend solely upon the funding of this contract program (Community Education-Element 10) to operate their departments of education to provide educational services to their Indian constituents, and

Whereas, the Gila River Indian Community opposes BIA education reductions and presently, along with other tribal groups, faces the elimination of a program by the zeroing out of P.L. 93-638 Element 10 Contracts for fiscal year 1982 and considers this an affront to local control of Indian education by tribes as mandated by P.L. 95-561 and the intent and purpose of P.L. 93-638, and

Whereas, we feel that Bureau of Indian Affairs education personnel responsible for advocation for tribal education needs and priorities failed to heed tribal education recommendations and, in our opinion, let this elimination of services happen in spite of Congress' intent only to reduce the budget: Now therefore, be it

Resolved, That we strongly urge responsible BIA officials, Arizona congressional representatives to take immediate steps and work with whomever necessary to restore the funds for Element 10 93-638 Community Education Contracts by whatever means necessary in order that vital services to Indian Communities may continue; and be it further

Resolved, That the Gila River Indian Community supports a position statement concerning this matter by the NCAI and we urge that NCAI adopt a strong posture to this effect and immediate action to resolve this matter on behalf of all affected Indian tribes.

CERTIFICATION

Pursuant to authority contained in Article XV, Section 1, (a) 1, 4, 9, 12, 18, and Section 4 of the amended Constitution and Bylaws of the Gila River Indian Community ratified by the Tribe, January 22, 1960, and approved by the Secretary of the Interior on March 17, 1960, the foregoing resolution was adopted this 17th day of February, 1982, at a Regular Council meeting held in District Seven, Laveen, Arizona, at which a quorum of 14 members were present by a vote of 13 for; 0 oppose: 0 abstain: 3 absent: 1 vacancy.

DANA R. NORRIS, Sr.,
Governor.

Attest:

_____,
Acting tribal Secretary.

SUPPORTING THE CONTINUED FUNDING OF FEDERAL IMPACT AID TO PUBLIC SCHOOL DISTRICTS WITH LARGE STUDENT POPULATIONS FROM INDIAN RESERVATIONS

Whereas, the public schools of Arizona educate over 1,600 Indian students living within the Gila River Indian Community, 800 of them attending the Sacaton Public Schools on the Reservation and the remaining 800 attending off reservation public schools;

Whereas, the public schools in Arizona are supported by state taxes which cannot be collected from Indian lands or income because the land is held in trust by the federal government;

Whereas, the federal government has historically met its obligation to educate Indian children by providing federal impact aid to public schools serving Indian students which do not have an adequate tax base because of federal trust land; and

Whereas, the current federal budget reduced federal impact aid by 10 percent and President Reagan now proposes to reduce federal impact aid an additional 59 percent for fiscal year 1983 which could result in a devastating $500,000 loss in operating funds for the Sacaton Public Schools: Now, therefore, be it

Resolved, That, 1. The Education Committee urges Congress to appropriate sufficient funds to continue adequate federal impact aid funding for public schools with large student populations from Indian reservations;

2. The Education Committee requests the Legislature of the State of Arizona to adopt a resolution requesting the continued funding of federal impact aid; and

3. The Education Committee requests that the Administration of the Gila River Indian Community use its best efforts to seek continued funding of federal impact aid.

Senator COHEN. Mr. Peacock, please proceed.

STATEMENT OF ROBERT B. PEACOCK, EXECUTIVE ADMINISTRATIVE DIRECTOR, FOND DU LAC RESERVATION, MINNESOTA CHIPPEWA TRIBE

Mr. PEACOCK. My name is Robert B. Peacock. I am the executive administrative director for the Fond du Lac Reservation, Minnesota Chippewa Tribe, Minn.

I wish to thank you for allowing me the time to express the concerns of the Fond du Lac Reservation in reference to the President's recission of 4,000 homes for fiscal year 1982 in the Indian housing program.

I request on behalf of the Fond du Lac Reservation that our comments be made a part of the official record of this hearing.

Senator COHEN. Without objection, your entire statement will be part of the record following your oral testimony.

Mr. PEACOCK. Thank you.

Fond du Lac Reservation currently has under construction 50 low-rent and mutual-help housing units. We received the program reservation for these homes in April 1980, and, at present, are expecting to receive final word on the order to start construction of 50 additional homes delegated to us in April of 1981.

These two projects, when completed, will only meet one-third of our current housing needs.

Our experience in finalizing both of the projects has exposed these problem areas. No. 1, interdepartmental agreement between Indian Health Service, HUD, and BIA. The interdepartmental agreement has proven itself too cumbersome because of the lack of cooperation among the agencies. For example, Indian Health Service has been unable to meet developmental deadlines, housing site approvals, and ongoing inspections because of being understaffed and unable to receive adequate travel expenses.

The Bureau of Indian Affairs, Minnesota agency, backlog on road construction for housing in our area is behind schedule by 10 years. This, coupled with the delay in lease finalization for housing sites, delays the project and further backlogs housing in the pipeline, and the paperwork.

The avalanche of rules, regulations, special agency forms and changes of same, from HUD, often means that work completed must be done over in order to comply with new rules, regulations, special agency forms, and future changes which, in turn—it goes on and on.

No. 2, the checkerboard pattern of land ownership of the Fond du

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Lac Reservation and the HUD policy that all homes must be constructed on trust lands creates unnecessary delays. The confusing webs of jurisdiction ownership and tenure of land on the Fond du Lac Reservation is the direct result of the many extreme changes in Federal policy toward Indians during the last century.

Additionally, HUD does not provide for site purchase expenses in Indian housing as it does in other public housing programs.

Now, a new HUD policy has surfaced. This policy states that no future Indian homes may be built on land that is in the process of being put into trust.

On Fond du Lac, we have purchased over 500 acres of former Indian land which was to complement our tribal land for use as future homesites. This new policy prevents us from utilizing the land until placing in trust status has been completed.

This problem of land ownership and jurisdiction is unique to all Indian housing programs.

At this point, I would like to expound on the positive results of continuing the Indian housing programs other than the obvious benefit of some of the people having their basic need for decent, safe, and sanitary housing met. One of the common problems cited in the Indian housing program is the high cost of construction.

Prior to Fond du Lac receiving their housing projects, we had only two journeymen and no apprentices in the construction trade.

Currently, we have established a Department of Labor recognized apprenticeship program which has enrolled over 20 individuals in the construction trades. This program has enabled us to provide jobs and training which will result in journeymen status for our people which would not have occurred except for the Indian housing program.

The apprenticeship program also allows us, under the rules and regulations of the Bacon-Davis Act to reduce labor costs and provide a local trained labor force that enables the Fond du Lac Reservation to avoid the high cost of importing construction labor.

The development and administration of the housing projects presently underway on the Fond du Lac Reservation has enabled us to test and develop our administrative capabilities.

The Fond du Lac Reservation's goal of self-determination requires the administrative ability to handle complex projects. This ability can only be learned and tested through hands-on experience.

The Indian housing programs provide this experience and will pay dividends in the future years in the provision of reservation people with the necessary administrative capabilities to tackle the reservation's complex problem.

To date, Indians who make up less than 1 percent of the population have experienced more than 3 percent of the cuts in the Federal budget.

In hard facts, this means that to enrolled members of the Fond du Lac Reservation, because of economic hardships: 21 percent more people are now forced to accept fuel assistance; 150 women and children have been cutoff the WIC program.

More than 35 percent of the people employed by the reservation have been terminated because of Federal budget cuts.

Now, this administration proposes to establish the zero policy in programs providing basic needs to Indians, including: HUD section 202 elderly housing, zero and rescind fiscal year 1982 funds and liquidate assets.

HUD assisted housing, new construction, zero for fiscal year 1983 and rescind fiscal year 1982 funds.

HUD CDBG to be zero in fiscal year 1984.

HUD UDAG to be zero in fiscal year 1984.

BIA new road construction, zero.

Indian Health Service sanitation facilities for new and existing homes, zero.

People of the Fond du Lac Reservation believe that the purpose of having a democratic society is to assist the people in meeting their basic needs. The proposed budget and rescissions will deny the people these needs.

The Fond du Lac Reservation, Minnesota Chippewa Tribe requests that you oppose the President's recisions and support continued and additional funding for programs aiding Indian people.

Thank you.

Senator COHEN. Thank you very much, Mr. Peacock.

[The prepared statement follows:]

PREPARED STATEMENT OF ROBERT B. PEACOCK, EXECUTIVE ADMINISTRATIVE DIRECTOR, FOND DU LAC RESERVATION, MINNESOTA CHIPPEWA TRIBE

Committee chairman and members Senate Select Committee: My name is Robert B. Peacock; I am the executive administrative director for the Fond du Lac Reservation, Minnesota Chippewa Tribe, Minnesota. I wish to thank you for allowing me the time to express the concerns of the Fond du Lac Reservation in reference to the President's rescission of 4,000 homes for fiscal year 1982 in the Indian housing program. I request on behalf of the Fond du Lac Reservation that our comments be made a part of the official record of this hearing.

The Fond du Lac Reservation currently has under construction 50 low-rent and mutual help housing units. We received the program reservation for these homes in April 1980, and at present are expecting to receive final word in order to start construction of 50 additional homes delegated to us in April 1981.

These two projects when completed will only meet ⅛ of our current housing needs. Our experience in finalizing both of the projects has exposed these problem areas:

1. Interdepartmental agreement between IHS, HUD and BIA. The interdepartmental agreement has proven itself too cumbersome because of the lack of cooperation among the agencies. For example, IHS has been unable to meet developmental deadlines, housing site approvals and ongoing inspections because of being understaffed and unable to receive adequate travel expenses. The BIA, Minnesota Agency backlog on road construction for housing in our area is behind schedule by 10 years. This, coupled with the delay in lease finalization for housing sites delays the project and further backlogs housing in the pipeline. Paperwork: The avalanche of rules, regulations, special agency forms and changes of same, from HUD, often means that work completed must be done over in order to comply with new rules, regulations, special agency forms and future changes, which in turn, etc. . . . etc. . . .

2. The checkerboard pattern of land ownership on the Fond du Lac Reservation and the HUD policy that all homes must be constructed on trust lands creates unnecessary delays. The confusing webs of jurisdiction ownership and tenure of land on the Fond du Lac Reservation is the direct result of the many extreme changes in Federal policy toward Indians during the last centry. Additionally, HUD does not provide for site purchase expenses in Indian housing as it does in the other public housing programs. Now, a new HUD policy has surfaced. This policy states that no future Indian homes may be built on land that is in the process of being put into trust. On Fond du Lac, we have purchased over 500 acres

of former Indian land which was to complement our tribal land for use as future home sites. This new policy prevents us from utilizing the land until placing in trust status has been completed. (See attachment A). This problem of land ownership and jurisdiction is unique to all Indian housing programs.

At this point, I would like to expound on the positive results of continuing the Indian Housing programs other than the obvious benefit of some of the people having their basic need for decent, safe and sanitary housing met. One of the common problems cited in Indian housing programs is the high cost of construction. Prior to Fond Du Lac receiving their housing projects, we had only two journeymen and no apprentices in the construction trades. Currently, we have established a Department of Labor recognized apprenticeship program which has enrolled over 20 individuals in the construction trades. This program has enabled us to provide jobs and training which will result in journeymen status for our people which would not have occurred except for the Indian housing programs. The apprenticeship program also allows us under the rules and regulations of the Bacon-Davis Act to reduce labor costs, and provides a local, trained, labor force that enables the Fond Du Lac Reservation to avoid the high cost of importing construction labor.

The development and administration of the housing projects presently underway on the Fond Du Lac Reservation has enabled us to test and develop our administrative capabilities. The Fond Du Lac Reservation's goal of self-determination requires the administrative ability to handle complex projects. This ability can only be learned and tested through hands-on experience. The Indian housing programs provide this experience and will pay dividends in the future years in the provision of reservation people with the necessary administrative capabilities to tackle the reservation's complex problems.

To date, Indians who make up less than 1 percent of the population have experienced more than 3 percent of the cuts in the Federal budgets. In hard facts, this means that to enrolled members of the Fond Du Lac Reservation, because of economic hardships:

21 percent more people are now forced to accept fuel assistance.

150 women and children have been cut off of the WIC program.

More than 35 percent of the people employed by the reservation have been terminated because of Federal budget cuts.

Now this administration proposes to establish the zero policy in programs providing basic needs to Indians, including: HUD section 202 elderly housing: 0 and rescind fiscal year 1982 funds and liquidate assets; HUD assisted housing (new construction): 0 for fiscal year 1983 and rescind fiscal year 1982 funds; HUD C.D.B.G.: To be 0 in fiscal year 1984; HUD UDAG: To be 0 in fiscal year 1984; BIA new road construction: 0; IHS sanitation facilities for new and existing homes: 0.

The people of the Fond Du Lac Reservation believe that the purpose of having a democratic society is to assist the people in meeting their basic needs. The proposed budget and rescissions will deny the people these basic needs.

The Fond Du Lac Reservation, Minnesota Chippewa Tribe requests that you oppose the President's rescissions and support continued and additional funding for programs aiding Indian people.

ATTACHMENT "A"

Whereas, the Indian Housing Authorities have recognized the need for a suitable land base for additional housing, and

Whereas, many bands have found it beneficial to place said lands in a trust status, and

Whereas, the process of placing said lands in trust status is a lengthy process due to the specified filing procedure which must be followed by both the Band and the Bureau of Indian Affairs, and

Whereas, the deadline for submission of applications to H.U.D. for new housing grants is March 30, 1982: Now, therefore, be it

Resolved, That the Indian Housing Authorities hereby request H.U.D. to be aware of this unique situation of trust status filing; and be it finally resolved, That the Department of H.U.D. shall review the Indian Housing Authorities efforts and intentions of trust status filing and not jeopardize any 1982 housing application where the B.I.A. is making reasonable and satisfactory progress toward finalizing said trust land status.

FOND DU LAC RESERVATION,
Cloquet, Minn., February 26, 1982.

Re: Indian housing programs.

The Fond du Lac R.B.C. and the Fond du Lac Reservation Housing Authority respectfully submit the enclosed statement of President Reagan's elimination of the Indian Housing Program. We request that our statement be made a part of the official record of the hearing on fiscal year 1982 and zero budget for fiscal year 1983 Indian Housing Program Budget Recission scheduled to be heard on March 1 and 4, 1982. The continuing need of Indian people for decent and safe housing and the lack of any alternatives for Indian people to the Indian Housing Programs, means we must vehemently object to the President's Budget Recission. The people of the Fond du Lac Reservation have worked hard to establish a Housing Program that will help them to achieve decent and safe homes for themselves and their descendants and are frustrated and angry at seeing their hopes for the present and future taken from them by the President's budget recissions.

Respectfully submitted,

WILLIAM J. HOULE,
Chairman, Fond du Lac R.B.C.
HAROLD DIVER,
Chairman, Fond du Lac Reservation Housing Authority.

Senator COHEN. Mr. Doss.

STATEMENT OF DR. MICHAEL DOSS, EXECUTIVE DIRECTOR, NATIONAL ADVISORY COUNCIL ON INDIAN EDUCATION, WASHINGTON, D.C.

Dr. Doss. Good afternoon, Mr. Chairman. My name is Dr. Michael Doss; I am a member of the Crow Tribe from the State of Montana, and I am Executive Director of the National Advisory Council on Indian Education.

I would like to respond to an earlier question that you asked Dr. Ryan, to describe the National Advisory Council on Indian Education, if I might.

The National Advisory Council on Indian Education is comprised of 15 members of Indian and Alaska Native tribes and organizations throughout the United States. All members are appointed by the President of the United States for terms up to 3 years in length. The council is comprised of a geographic representation of all Indian people in the United States.

From your own State of Maine, for instance, Mr. Wayne Newell is a NACIE representative. With regard to Senator John Melcher, there are two members who reside in the State of Montana: Dr. Robert J. Swan and also Mr. W. Stanley Juneau.

Now, we have representatives from just about all geographic areas of the United States represented on our council.

The council was created by Public Law 92-318, the Indian Education Act of 1972, which also established title IV programs, and the Office of Indian Education, as it was formerly called. I have submitted a copy of our brochure which describes the actual functions of our advisory council. There are several, and we, for instance, submit to the Secretary of Education a list of nominees for the position of Director of Indian Education. We concluded the selection process, for instance, for Dr. Frank Ryan here a year ago.

We also advise the Secretary with regard to the administration of any program in which Indian children or adults participate from which they can benefit, and there is quite a listing there under item 2 as to how far our authority goes.

We review applications for assistance under title III of the act of September 30, and others. We evaluate programs and projects carried out under any program of the Department of Education in which Indian children and adults can benefit—from which they can benefit and disseminate the results of such evaluation.

There are some—of the functions which are identified in the brochure, that we have not been able to accomplish like provision of technical assistance and others that we just do not have either the funds or the capability at the present time to accomplish.

You submit to the Congress of the United States, on a yearly basis, an annual report, and I would like to mention now for the record that our annual report covering the last 2 calendar years, 1980 and 1981, will be submitted to the printer this week. So, hopefully, it will be printed sometime in the near future and presented to the Congress.

Senator COHEN. Do you feel your recommendations from the National Advisory Council on Indian Education were taken into account at all by the administration?

Dr. DOSS. It did not appear, from the reaction this morning, that some persons may have been aware of our recommendations although we have transmitted our recommendations directly to the President of the United States, the President of the Senate, the Speaker of the House of Representatives and the Secretary of Education following our Portland Council meeting this past October.

I do not know if you had a chance to take a look at all the recommendations now or not.

Senator COHEN. Is this the report right here?

Dr. DOSS. I believe you are referring to the last annual report, but I was referring to the recommendations I was about to get to here. I believe that some of the final recommendations contained in the last annual report have been addressed, but not all, by any means.

If I might continue. I would like to turn now and try to summarize my testimony in the interest of time.

There are two parts really to my testimony. The first deals with the 1983 budget request on behalf of the Department of Education.

The National Advisory Council on Indian Education recognizes the need for fiscal austerity in Federal Government and, however, we feel that we ascertained there would be a 34 percent reduction in title IV programs from 1982 to 1983. It is a very drastic cut in Indian education programs. Therefore, we are respectfully requesting, and have requested before the House and Senate Interior Subcommittees on the budget that the 1983 level of funding remain level at the 1982 level in the amount of $77,852,000. In other words, we want to see the same amount of money for 1983 as we had in 1982 if it is at all possible.

Also, with regard to the National Advisory Council on Indian Education, we would like to see the same amount appropriated, $202,000 for the council for next year as we had for the year past.

Now, as far as consequences if the budget reductions of 34 percent are effected there are several things that would happen in my estimation. There would be fewer projects funded obviously. There would be no new starts. There will be less Indian fellowships. There will be possible closings of Indian contract schools and the overall quality of Indian education in the United States would take a down turn.

I think that is a very serious matter to be cutting back, and I think it is in some respects reverses the work of the Kennedy report of 1969, "Indian Education: A National Tragedy, A National Challenge." By the way, just for reference you may be aware that the National Advisory Council on Indian Education and the title IV legislation really grew out of the findings of the Senate hearings and also of this report.

Senator COHEN. What is the date of that report?

Dr. Doss. It is a 1969 report of the "Committee on Labor and Public Welfare, United States Senate, Report No. 91-501."

I think it is good to go back at this point in time—and I did over the weekend—and take a look at the 60 recommendations contained therein because they have a direct bearing on some of the questions that have been raised here today, one of which—and I was going to get to that in my testimony next—is that the Congress in providing for title IV, for the first time mandated direct Indian parental involvement in the educational processes via the Indian Education Act. They took a bold, innovative step on behalf of the American Indian and Alaska natives. Without these provisions in the law, Indian parental involvement in their children's education would be minimal, and, at best, only superficial. The parent advisory committees are very important and I consider them to be the essence of the Indian Education Act.

In addition, I would like to point out that title IV serves Indians wherever they reside whether they be urban or rural, reservation or nonreservation, and whether or not they are members of federally recognized tribes, and that is another important aspect of the Indian Education Act. If there were a transfer of our programs over to the Bureau of Indian Affairs, would they be willing and would they be able to administer programs to a service population to which they have not provided services at all in the entire history of that institution.

I know for one thing that recommendation No. 15 that was contained in the 1969 Kennedy report referred to the fact that the Bureau of Indian Affairs actually discouraged Indian control of Indian education, while at the same time, the first recommendation in the Kennedy report was that maximum participation and control by Indians in establishing Indian education programs was to be policy of the United States, and specifically identified public schools within that domain.

I have noted the rapid changes in the political environment within which we have existed. They include the following: First, a change in the organizational placement of title IV programs from a separate organizational entity within the former Office of Education within the Department of Health, Education, and Welfare to an Office of Indian Education within a recently established Department of Education.

Second, a change from the Office of Indian Education to the title of Indian education programs within the Office of Elementary and Secondary Education. And, third, today, we are faced with another change in organizational placement proposed in the budget of the United States for fiscal year 1983 with the administration's proposal to abolish the U.S. Department of Education. Indian education programs that were formerly administered by that Department would be transferred to the Bureau of the Indian Affairs at the U.S. Department of the Interior.

The National Advisory Council in its meeting held in Portland, Oreg. and via motion No. 15, and I think this will provide some clarification as to where our Council stands on this matter, approved motion No. 15 stated as follows, and I would like to read into the record:

I move that the National Advisory Council on Indian Education recommends to the Secretary of Education that if the U.S. Department is dismantled within the next year that all Indian education programs, title IV, Parts A, B, C and D, along with all programs directly benefiting Indian children and adults, including Impact Aid, the 1 percent Indian vocational education set aside, and others, within the U.S. Department of Education be transferred intact to an independent agency or a foundation other than the U.S. Department of Interior.

The Council deliberated over the course of 3 days before they arrived at that conclusion. They did have the benefit of speaking with other Indian educational leaders that had been at the top levels of our Government and thoroughly studied the issue.

Second, the Council recognizes the Indian education is a Federal trust responsibility and that the primary source of education of Indian and Alaskan Native children and adults rests with the Federal Government and not with the States.

We contend, and have stated in a motion, No. 17, that the Federal trust responsibility for Indian education must be fully implemented, maintained, and upheld.

I would like to call to the attention of the committee two separate reports that may be helpful in reviewing the Federal trust responsibility to Indian education.

One was prepared by Vine Deloria, Jr., and is entitled "A Legislative Analysis of the Federal Role in Indian Education."

And the other, contained in our Seventh Annual Report to the Congress, Appendix F, is a working paper prepared for the National Advisory Council on Indian Education by the Native American Rights Fund, Dr. Kurt Blue Dog, in 1979. I think both of those make a pretty good case on behalf of the Federal trust responsibility to Indian education.

I am about to conclude my statement. It has been more lengthy than I had intended.

Senator COHEN. It has been shorter than I anticipated.

Dr. Doss. Thank you.

Senator COHEN. You scared me when I saw that stack of materials next to you.

Dr. Doss. The National Advisory Council has been doing a few things the last couple of years that I would like to bring to your attention. No. 1, we conducted an administrative study of the Indian education programs at the Department of Education. And we submitted that initial report to you last February. We have conducted a followup study and we have provided that to Dr. Frank Ryan so he can react and respond to the findings prior to the time it is finalized and presented to the Congress.

In addition, we have been holding Federal hearings on the reauthorization of the Indian Education Act for the last year and a half. We have held six hearings throughout the United States. We have right now seven bound volumes of testimony that have been received, and this testimony is from Indian and Alaskan Native people all the

way from Point Barrow, Alaska, to Florida, and all the way from Boston, Mass., to San Diego, Calif.

They are the direct statements transcribed in the case of our first hearing, and which have been reproduced verbatim in the case of the others. Their direct testimony has been collated and we would like to offer this to the subcommittee now because I think it is important to have an opportunity to review this data which shows how important title IV Indian education is to all Indian and Alaska Native people in this country.

Senator COHEN. I would recommend that the staff have an opportunity to review it without necessarily including all of it in the record, but be in a position to at least extract information which would be relevant to filing whatever report this committee will file.

Dr. Doss. In conclusion I would state that when I did my graduate work at Harvard University, I studied organizational change, and I guess I was studying the wrong theories of organizational change because the changes that we are faced with in the political environment are somewhat different and far reaching. In my studies, prior to any substantive change, any major change, that you had to prepare a very thorough analysis and develop a plan about how the outcomes of the change itself would benefit the intended recipients.

I am unconvinced at this point in time how the transfer of title IV programs from the Department of Education to the Department of Interior will result in improved services to Indian children and adults. I would like to see a plan if there is one available.

No. 2, in conclusion, I feel that Indian people and Alaska native people must be consulted directly in the event that a proposal for such a change is to be effected by the Government of the United States.

I would like to thank you very much for the opportunity to make a presentation today.

Senator COHEN. Thank you very much, Dr. Doss. Your prepared statement will be entered in the record at this point.

[The prepared statement follows:]

PREPARED STATEMENT OF DR. MICHAEL P. DOSS, EXECUTIVE DIRECTOR, THE NATIONAL ADVISORY COUNCIL ON INDIAN EDUCATION

Good morning Mr. Chairman and members of the Senate Select Committee on Indian Affairs. My name is Dr. Michael P. Doss, the Executive Director of the National Advisory Council on Indian Education. I'd like to thank you for the opportunity to appear before the Subcommittee today to present the fiscal year 1983 budget request by the National Advisory Council on Indian Education in support of the Indian Education Programs administered by the Indian Education Programs Office located within the Office of Elementary and Secondary Education at the U.S. Department of Education established by the Indian Education Act, Title IV of the Public Law 92-318, Parts A, B, C and D.

THE FISCAL YEAR 1983 NACIE BUDGET REQUEST FOR TITLE IV, PARTS A, B, C AND D

With regard to the fiscal year 1983 budget request for Title IV of Public Law 92-318, Parts A, B, C and D, the Council would like to call to your attention to the fact that the funding level appropriated by the Congress of the United States in fiscal year 1982 was inadequate to meet the needs of Indian children and adults in the United States, since only approximately 80 percent of the local educational agencies participated in the programs. The impact needed for continued improvement requires increased funding for all parts of Title IV; however, given the need for fiscal austerity in the Federal Government, the Council would like to request respectfully that the funding level appropriated by the Congress of

the United States for fiscal year 1983 remain stable at the fiscal year 1982 level of funding. The National Advisory Council on Indian Education supports a fiscal year 1983 budget request on behalf of Public Law 92-318, Parts A, B, C and D, in the amount of $77,852,000. However, the Council would like to submit a specific recommendation with regard to the funding level of Title IV of Parts B and C. At the last meeting of the Council held in Nashville, Tennessee, on January 8-10, 1982, the Council recommended that the Part B and C budgets which fund planning, pilot and demonstration projects and adult education projects, respectively, be increased for fiscal year 1982. The Council recognizes the need for fiscal austerity in the Federal Government and, therefore, would like to request that the funding level appropriated for the Council for fiscal year 1983 remain stable at the fiscal year 1982 level of funding. We would like to request respectfully that the Council be provided $202,000 in fiscal year 1983 for the purpose of continuing the work of the National Advisory Council on Indian Education.

It is our deep belief that the Indian Education Act is the most significant legislation passed by the Congress that has addressed positively Indian educational needs in the United States. The Congress, in providing for direct Indian parental involvement in the educational process via the Indian Education Act, took a bold innovative step on behalf of American Indians and Alaskan Natives. Without these provisions in the law, Indian parental involvement in their children's education would be minimal and, at best, only superficial.

The National Advisory Council on Indian Education, which was established by the P.L. 92-318, on June 23, 1972, has provided a unique service both to the President and the Congress by reviewing the administration of Indian educational programs benefiting Indian children and adults. The Council fulfills an extremely diverse and important role in the implementation of the Indian Education Act, since we are responsible for reviewing the administration of all Title IV programs. All members of the National Advisory Council on Indian Education are Indians and represent distinct Indian populations residing within the United States. Our primary responsibility has focused upon the effective utilization of funds expended under Title IV of the Indian Education Act of 1972. These funds are administered by the Indian Education Programs Office now located within the Office of Elementary and Secondary Education at the U.S. Department of Education. The educational programs represented in Title IV, and subsequent amendments, were designed to accomplish the following objectives:

1. To meet the special educational needs of Indian children;
2. To improve educational opportunities for Indian children:
3. To provide programs of financial assistance to institutions of higher education, Indian organizations and Indian tribes for the purpose of preparing Indian individuals for teaching or administering special programs and projects designed to meet the special needs of Indian children;
4. To provide programs of financial assistance for the improvement of educational opportunities for adult Indians; and most recently;
5. To provide a program of financial assistance to Indian students for undergraduate and graduate study in engineering, medicine, law, business, natural resources and related fields.

We must direct your attention to the fact that our Council has assumed far wider responsibilities in the immediate past in serving as the sole vehicle for the representation of the education needs of all Indian and Alaskan Native children, wherever they reside within the United States. Our responsibilities are distinct from those assumed by the Office of Indian Education Programs at the Bureau of Indian Affairs, which provides educational programs for Indian students who are members of the Federally recognized tribes. In keeping with the legislative mandate and statutory authority contained in Title IV of Public Law 92-318, our responsibilities extend to education programs for Indian and Alaskan Native children, wherever they reside, whether it be urban or rural, reservation or nonreservation and, whether or not they are members of the Federally recognized tribes.

The Council worked to establish an "Indian Education Coordinating Committee" in 1980, consisting of the top management of the Office of Indian Education at the U.S. Department of Education and the Office of Indian Education Programs at the Bureau of Indian Affairs, U.S. Department of the Interior for the purpose of preventing duplication of services to increase coordination and to maximize all available resources appropriated by the Congress of the United States for Indian and Alaskan Native education. Subsequent meetings have

resulted in improved communications between these two major agencies of the Federal Government responsible for the education of Indian children and adults in the United States. Several interagency agreements have been consummated between the Department of Education and the Department of the Interior in recent months, and increased cooperation is planned to prevent duplication of services.

Although the Council has been working diligently to improve our effectiveness toward fulfilling our Congressionally mandated function, we have for the past two years been constrained by the political environment within which we are imbedded. The rapid changes in the location of the Office of Indian Education Programs include the following: (1) A change in the placement of the Title IV programs from a separate organizational entity within the former Office of Education within the Department of Health, Education, and Welfare to an Office of Indian Education within the recently established U.S. Department of Education; (2) a change from an Office of Indian Education to the title of Indian Education Programs within the Office of Elementary and Secondary Education; and (3) today, another change in organizational placement is proposed in the "Budget of the United States Government, Fiscal Year 1983," where under the Administration's proposal to abolish the U.S. Department of Education, Indian education programs that were formerly administered by the Department would be transferred to the Bureau of Indian Affairs at the U.S. Department of the Interior. To say the least, the ability of the Council to concentrate its attention upon the quality of Indian education has been distracted. Constant concern with regard to the survival of Title IV has been a fact of our organizational history, as reflected in our last two annual reports to the Congress of the United States. Although the Council has been greatly distracted by reorganization and placement of Indian programs ,the National Advisory Council on Indian Education has been intent on meeting our Congressionally mandated responsibilities, and efforts have been continual in ensuring quality education programs and services for Indians. For example, in February 1981, the Council submitted to the Congress of the United States the findings and recommendations of "An Administrative and Programmatic Study of the Office of Indian Education at the U.S. Department of Education." Later, in July 1981, the Council conducted an "Implementation Review of an Administrative and Programmatic Study of the Office of Indian Education" to ascertain progress toward the recommendations contained in the initial study. The findings of the follow-up study were presented to the Director of Indian Education Programs at the U.S. Department of Education in January 1982. In addition, the Council has held six Federal Hearings on the "Reauthorization of the Indian Education Act, Title IV of Public Law 92–318" to solicit direct input from Indian tribes, organizations and individuals who administer these programs or who are affected by them. All testimony received is being copied and collated now for future presentation to the Congress. Also, two members of the Council have been involved in the Part A, Impact Evaluation in an advisory capacity. Furthermore, the Council has kept abreast of the additional studies of Title IV programs conducted during the past three years.

Since the issue of the survival of the Indian Education Act, Title IV of Public Law 92–318, is before us today, the Council will not recite the budget history of the Council, but would like to call the attention of the Committee to several important concerns. First, the National Advisory Council on Indian Education is opposed to the proposal to transfer the Indian Education Act programs to the Bureau of Indian Affairs at the U.S. Department of the Interior, where the Council contends they would be abolished; second, the Council supports including the Indian Education Act programs in either an independent agency or education foundation if the U.S. Department of Education is abolished by the Congress of the United States; third, the Council would like to see all Indian education related programs, such as the "1 Percent Indian Vocational Set-aside Program," and others consolidated within the same organizational entity and be administered by a staff of professional Indian educators; and fourth, the Council recognizes that Indian education is a Federal trust responsibility and that the primary source of education of Indian and Alaskan Native children and adults rests with the Federal Government, not with the states. This Federal trust responsibility for Indian education must be fully implemented, maintained and upheld. The four concerns identified above are shared with few minor exceptions by the other national Indian organizations.

As in the past, Indian people now look toward the Congress of the United States, that entity of the Federal Government which initiated the Federal In-

dian trust responsibility by treaty, for our future educational needs on behalf of our children and adults. Via the establishment of Public Law 92-318. Title IV of the Indian Education Act of 1972, the Congress of the United States took a bold step toward meeting the educational needs of our children. Indian education, as characteristic of non-Indian education, is an on-going process which requires continued commitment to meeting the educational needs of children and adults. During the past 10 years, the Indian Education Act has begun the process of addressing the educational and cultural needs of our people. In assuming this major responsibility, the Congress of the United States recognized accurately that the educational and cultural needs of Indian children and adults had not been met in the past. There is strong evidence that these needs are being met in 1982, and will continue to be met in the future if supported by the Congress of the United States.

NATIONAL ADVISORY COUNCIL ON INDIAN EDUCATION

(Motion No. 15)

Date: Oct. 11, 1981.
Location: Portland, Oreg.
Motion made by: Robert J. Swan.
Motion seconded by: John Rouillard.

I move that the National Advisory Council on Indian Education recommend to the Secretary of Education that if the U.S. Department of Education is dismantled within the next year, that all Indian education programs (Title IV, A, B, C & D) along with all other programs directly benefitting Indian children and adults (i.e., Impact Aid, 1% Vocational Education set-aside, etc.) within the U.S. Department of Education be transferred intact to an independent agency or foundation other than the U.S. Department of the Interior.

COUNCIL ACTION

For: 13; against: 1; abstentions: 0; temporarily absent: 0.

NATIONAL ADVISORY COUNCIL ON INDIAN EDUCATION

(Motion No. 17)

Date: Oct. 11, 1981.
Location: Portland, Oreg.
Motion made by: Robert J. Swan.
Motion seconded by: Ruby Ludwig.

I move that the National Advisory Council on Indian Education recognizes that Indian education is a federal trust responsibility and that the primary source of education of Indian children and adults rests with the Federal Government. Further, the National Advisory Council on Indian Education recommends to the U.S. Congress that this federal trust respnsibility for Indian education be fully implemented, maintained and upheld.

For: 13; against: 0; abstentions: 0; temporarily absent: 1.

Senator COHEN. I think we have one more who has arrived. Laurence Gishey.

STATEMENT OF LAURENCE GISHEY, DIRECTOR, NAVAJO DIVISION OF EDUCATION, WINDOW ROCK, ARIZ.

Mr. GISHEY. Thank you. Mr. Chairman.

My name is Laurence Gishey, I am the executive director for Navajo education of Window Rock, Ariz.

First, let me thank you for this opportunity to state descriptions of some of the issues that are facing education. This afternoon, I will be talking about issues that relate to BIA schools, contract schools, and public schools.

BIA has announced plans to make a $16 million cut in the administrative budget. I believe, however, if you really analyze this proposal,

and analyze the administrative costs and include it in other budget categories, you will find that this proposed savings is, at least, at best, overstated.

Meanwhile the proposed budgets to direct educational programs are very real. Impact aid for public school construction in Indian school districts is slated for no program funds. This recommendation is very harmful. These public school districts have little or no tax base or bonding capacity. They have already been neglected compared to public schools impacted by military bases.

BIA is seeking $838,000 to administer a nonfunded program. Impact aid to public school programs for A students faces a cut of over 30 percent below the 1981 level.

At the same time, BIA estimates project that Indian children in a public school will increase from 177,000 plus to 181,000 during the same period.

Many of these districts have virtually no tax base. They need impact aid funding to keep their schools open. I hope that you will see that more funds are found for this program, and that it remains in the Department of Education, or whatever is created from the Department of Education.

The Executive budget proposes a cut of almost 40 percent in the title IV program below the 1981 level and transfer of the program to the BIA.

Title IV is flexible enough to let school and parents put together the kinds of program their children need to overcome handicaps of language and experience.

One other item that I want to mention is the forward funding of the title IV, which is very important to school operations, especially when you consider the different time lines and the different fiscal period, the difference between BIA and the Department of Education.

I hope you will reauthorize this program at a more adequate level and leave it with the Department of Education which has contributed to the success of the program through a sensitive administration.

The Johnson-O'Malley, which provides other supplemental help for Indian children, would benefit from the management initiative to streamline the cumbersome redtape which accompanies this valuable program.

Although the appropriations bill for the Interior was signed in December, we did not receive our notice of allotment until last Wednesday. And you can see what that does to the schools.

I hope you can appreciate how important it is for these schools to receive their money on time with a minimum of redtape. I also hope you will reconsider your decision in the 1982 appropriations bill to exclude contract schools from eligibility for Johnson-O'Malley funds. These schools have the same need for supplemental funds as public schools.

The equalization formula, under Public Law 95-561, does not fund these schools adequately to support necessary supplemental programs.

The Indian student equalization formula administered by the BIA is still recommended for funding below the 1981 level. This is supposed to be a result of projected school closings and decreased enrollment.

School closing does not mean the students will disappear. Decreased enrollment is not happening everywhere. On the Navajo reservation, our schools have received less ISEF money this year than in 1981 despite the fact that our enrollment has gone up.

Despite the law, the BIA has not developed academic standards on criteria for boarding facilities. I hope you will insist that BIA follow the law, that it develop adequate and appropriate standards for education and boarding, and that it present to you the real cost of providing equality education under these standards.

In regard to higher education, I will note in brief that the budget proposal for higher education by the BIA is based on a projected drop in demand for these scholarships. I hope you will reconsider the proposal to close the Southwest Indian Polytechnic Institute and the Bureau's continued failure to seek vocational educational funds.

There is a note in the proposed budget that in our case, the Navajo Community College supposedly pick up the slack left by the closure of SIPI in Albuquerque. However, the Navajo Community College would not have the funds to pick up the extra numbers of students coming from the closure of SIPI.

Finally, I want to bring to your attention our concern about the relationship between the Federal Government and Indian tribes in regards to education. We have always seen this relationship as a trust relationship. From what I am hearing, Mr. Ken Smith, the Assistant Secretary for Indian Affairs is saying that he does believe trust responsibility applies to education. However, I believe education is very important. We are dealing with human resources as—it should be in concert with the development of minerals and economic development, a natural resource development.

Education has always been an important one. For the Navajo, we point to our treaty of 1868 with the Federal Government.

We believe in a government-to-government relationship with the United States in regards to education. This relationship requires adequate funding for education of Indian students. Its policy and procedures encourage tribes to govern their own affairs in education as in other matters.

The BIA regionalization plan, which for the Navajo will put us in one State and education function in another, will, I think, make more redtape for us and make it harder for us to maintain a direct line of communication with the Government in Washington.

The inadequacy of the BIA's consultation with us before making this proposal and implementing other changes is inconsistent with the concept of a government-to-government relationship. We believe that better consultation with tribes could produce real administrative savings and streamlining of procedures.

Let me cover our recommendation. No. 1 is to distribute budget cuts more equitably in the Department of Interior so that Indian education's share is proportionate.

No. 2, improve ISEF funding, and require BIA to base its ISEF formula on education standards and other requirements of Public Law 95–561.

No. 3, restore the massive cuts made in impact aid under Public Law 81–874 and impact aid construction under 81–815 and retain these programs in the Department of Education, or its successor.

No. 4, allow a tribally operated vocational rehabilitation program, such as that administered by the Navajo tribe, to be treated the same as a State or trust territory program for funding purposes.

No. 5, provide adequate funding for higher education according to a formula based on population or numbers of students.

No. 6, preserve vocational education programs such as the Southwest Indian Polytechnic Institute and assure the survival of a basic level of adult education according to a formula based on population for numbers of students.

No. 7, restore excessive cuts to the title IV program and retain it in the Department of Education or its successor.

No. 8, use an oversight procedure and budget language to eliminate the redtape and withholding of funds which plague the Johnson-O'Malley program. Require allocations under this program to follow the school year more closely, as title IV does.

No. 9, assure that the special education funding will continue to be available to reservation public schools, BIA schools, and contract schools.

And, finally, No. 10, use oversight procedures and appropriate budget language to assure that transfer of control of BIA education programs to tribes and local schools will not be accompanied by growth of BIA redtape, or withholding of program resources. Budget language and oversight should also be used to assure that BIA administrative funds are available to fund tribal and local administrative costs when programs and functions are contracted.

This concludes my statement this afternoon, and I appreciate the opportunity.

Senator COHEN. Thank you very much for your testimony. Your prepared statement will be entered in the record at this point.

[The statement follows:]

PREPARED STATEMENT OF LAURENCE GISHEY, EXECUTIVE DIRECTOR, NAVAJO TRIBE DIVISION OF EDUCATION

Mr. Chairman and Members of the Select Committee, I appreciate this opportunity to describe some of the concerns of the Navajo Tribe about the proposed fiscal year 1983 Federal budget for Indian education.

The Navajo people have long realized that education is essential to the cultural and economic survival of our people. The treaty we signed with the United States in 1868 specified that in return for accepting the limitations on our territory and way of life required by the United States, we would receive the assurance of education for our children. Navajos are very adaptable people. We want our children to learn. But, over the years, we have discovered that the commitment of the United States to see our children are taught rises and falls with changes in political emphasis.

With the change in political emphasis to the "New Federalism", the commitment of the United States to educate our children is again in question. The relationship between the Federal government and an Indian nation is not the same as the relationship between the Federal government and a state. There is talk under the "New Federalism" of returning to the states the power that once was theirs. If you returned to the Indian people the power that once was theirs, the United States would go back to being a few settlements on the Atlantic coast, some French trading posts and an occasional Spanish mission. I don't think that you want to do that, and we don't expect it. What we do expect is that the terms of our historical relationship with the United States will be honored.

OUR EDUCATION BUDGET IS ABSORBING TOO MANY CUTS

The proposed budget for the BIA and the budgets of Indian programs that are or were in the Department of Education suggest that Indian education will

absorb a disproportionate share of budget cuts this year. The BIA in its official statements says it is cutting costs by cutting BIA administration. This is supposed to be creating a $16 million saving. Actual figures in the budget show the BIA's budget for general administration was raised artificially high before the "overhead cost reduction" was imposed. This "overhead cost reduction" is one of these "management initiatives" which many financial analysts have predicted will slip away once appropriation season is over. Indeed, if the BIA's most recent block funding proposal, with its two bureau committees to review every move tribes make is any example, it will take more BIA employees to do less under BIA plans for reorganization. Education, on the other hand, in programs slated to be controlled by the BIA, is experiencing a proposed reduction of almost $63 million from 1981 levels. (This is in addition to the cut of over $20 million proposed for the Impact Aid program under Public Law 81–814.) In many of the programs scheduled for serious cuts or elimination of program appropriation, the amount of money going to the BIA for overhead remains virtually the same.

BASIC EDUCATIONAL PROGRAMS NEED AN ADEQUATE LEVEL OF SUPPORT

I believe you have had testimony from a Navajo controlled public school regarding Impact Aid funding and from the Navajo Area School Board Association regarding funding under the Indian School Equalization Formula (ISEF). I do not want to duplicate what they have told you. I do want to stress that these basic programs for public schools with large Indian student populations, for BIA schools and for Contract schools, are a top priority of the Navajo Tribe. Supplemental programs form an important part of the education program of these schools, but these basic funds keep the doors open. Both Impact Aid and ISEF have experienced funding reductions this year below the 1981 level. Impact Aid is scheduled for a further drastic cut this year bringing Impact Aid funding for "A" students more than 30 percent below the 1981 level. ISEF is still below its 1981 level, while being asked to absorb the effects of other program cuts. I would ask you to reconsider these budget recommendations. I also question the move of the Impact Aid program to the Treasury, which has no experience with education. I would prefer to see it remain in the Department of Education or its successor.

Public School enrollment of Indian students is expected to rise at the same time Impact Aid funding is cut. No Impact construction funds are sought to accommodate these students (although the BIA seeks over $800,000 to administer no funds). This is true despite the fact that study after study has found Indian school buildings to be inadequate, unsafe and antiquated. Many school districts on the Navajo Reservation are on the top of the priority list for construction.

The ISEF budget request is based on a model of reduced student enrollment. Yet tht BIA and Contract schools on the Navajo Reservation have had to participate in budget cuts under the program at the same time that their enrollments have increased. Failure of the BIA to adopt standards under Public Law 95–561, or to even follow that law in setting the formula, make it impossible to relate the ISEF appropriation to the actual cost of running BIA and Contract schools. I can tell you, however, that BIA and Contract schools on the Navajo Reservation are suffering very much from the reduced budgets and high fixed costs. We are also suffering from the consequences of the BIA ban on new school starts. This policy stifles the flexibility which is necessary in any educational system to meet changing needs. You have heard about all these matters in more detail from other speakers, but I want to stress to you the central importance of these programs in meeting the Federal Government's fundamental obligation to Indian people—to provide for the education of their children.

INDIAN PEOPLE WANT TO EDUCATE AND REHABILITATE THEIR OWN HANDICAPPED

Another major concern of the Navajo Division of Education is our handicapped children and adults. I do not know if these programs will come before this Committee, but you should be aware of two areas which concern Indian people.

The first is the vocational rehabilitation program. The Navajo Nation has a vocational rehabilitation program run by the Navajo Division of Education, serving about 500 handicapped Navajos. It does for our Navajo people what State vocational rehabilitation programs do for handicapped people in the States. It does not duplicate State programs. Its clients are not served by State vocational rehabilitation programs. Each year, the program must qualify for a special project grant. We ask that this program be funded at an adequate level to do the job

and that provisions be made in the appropriation for vocational rehabilitation to treat Tribal programs such as ours the same as programs of States and trust territories for purposes of basic grants.

Our second concern is special education. Special education funding to reservation public, BIA and Contract schools has made it possible for Indians to educate their handicapped children among their own people. We urge you to assure that the special education money available to our public schools and to the Department of Interior for BIA and Contract schools remains sufficient to keep these children at home with their people.

EDUCATION PROGRAMS FOR YOUNG INDIAN ADULTS ARE NECESSARY FOR ECONOMIC GROWTH

In this year's budget justification the BIA emphasizes an encouragement of economic growth for Indian nations. I applaud this. Indian people need to develop their own economic base. How realistic, however, can any plan for economic growth be which neglects the education of the people? Who will be the educated professionals and the skilled workers of this new economy? Cutbacks are proposed in the higher education program, a major means of educating young Indian professionals. The rationale for these cuts is a reduction in demand. We have experienced no reduction in demand. Yet Navajo higher education has been cut too. This past year we have had to turn away over 8,000 of our young people who sought our help in going to college. Since we have required students seeking Tribal scholarships to exhaust college-based assitance first, and since severe cuts are planned for college scholarships and loans, we will have more demand for less money in the coming year. We will also experience funding cuts in our local Tribally controlled community colleges which will increase scholarship demand. We will have to turn even more students away. If these cuts are really based on decreased demand, a formula should be developed to direct the monies where the students are.

There is virtually no Federal commitment to postsecondary vocational education for young Indians. One program which was very important to the Navajo, the Southwestern Indian Polytechnic Institute, is scheduled for closure. Why? Where will the skilled technicians for Navajo economic development come from?

Adult education is also scheduled for major reductions. Yet, due to past failures in Indian education policy, we have many adults whose education was inadequate or nonexistent when they were children in the 1950's and 1960's. These adults can only hope to catch up, to acquire basic English skills and a minimal level of academic skills, through adult education. There is no place for an illiterate in a modern economy.

SUPPLEMENTAL PROGRAMS NEED TO BE CONTINUED AND EFFICIENTLY ADMINISTERED

Supplemental programs such as Johnson-O'Malley and Title IV give our schools money to meet the needs of Indian students that arise from differences in culture and language and from poverty. They are important to our efforts to pass on our culture to our children. A recent GAO study found no evidence of duplication between these two programs.

Title IV is scheduled for massive cuts. Yet, this program is extremely popular with the schools in our area. It is a very flexible program and both schools and parent committees find that they can fashion programs within Title IV guidelines which are straightforward and effective in providing the supplemental help which the Indian children in a particular school need. Cuts on the level proposed in the executive budget will require the abandonment of many successful programs. Children needing these programs will fall behind.

One thing you should be aware of is that any significant increase in BIA schools opting to become contract schools under the Indian Self-Determination Act, as will occur if the Navajo Tribe succeeds in contracting BIA administrative functions into a Tribal educational agency, may result in a large increase in demand for Title IV funds from eligible schools. Provision for this eventuality should be made in the budget so that there is enough money to go around.

School personnel I have spoken with are very upset with the proposed move of Title IV to the Department of Interior. They have experienced too much red tape in the BIA's administration of the Johnson-O'Malley Program (JOM). The JOM program is also an excellent program, but our experience with it in the Navajo Area has been unnecessarily difficult. Money arrives late. It is encumbered with much paper busiwork. It arrives so late in the school year that much of the money

has to be carried over. Then we are accused of having a large carryover. This year there was again a large JOM carryover. We used it to provide funding to the more than 20 schools we serve because we did not have our 1982 notice of allotment. Then, after the carryover money was fully obligated, we were told that it was frozen. Despite the fact that the 1982 Interior Department appropriation bill was enacted in December, we did not receive our JOM notice of allotment until February 24 of this year. Meanwhile, programs for over 37,000 children were subject to chaotic administrative insecurity. This is completely unnecessary. I ask you to assure that JOM is freed of its administration shackles and that Title IV does not suffer a similar fate. I would also ask you to reconsider the decision to make Contract schools ineligible for JOM funds. These schools have the same need for supplemental programs as public schools. The ISEF formula does not provide Contract schools enough money to justify the distinction being made in the program.

RESOURCES FOR LOCAL AND TRIBAL ADMINISTRATION OF PROGRAMS MUST BE FREED FROM THE BIA ADMINISTRATION BUDGET

Many of the administrative problems I refer to could be alleviated if a real commitment were made to local and tribal control of Indian education. This can be done if the BIA is made to give up some of its turf to the tribes and to local schools. When individual programs in education are contracted to the tribe or to local schools these programs are often subjected to overmonitoring. Perhaps this is because there is nothing left for the BIA to do but look for holes in our programs. Red tape increases. This results in delays in receiving funds. The public blames the tribe or the schools. We blame the BIA. I am not convinced that BIA proposals for regionalization will solve this problem. By placing the intermediaries we must work with farther away, and in two different cities (Albuquerque for Contracts; Phoenix for education programs), given restrictions in travel money, the program risks delays in decison making, communications problems, and more red tape. We fully support a reduction of BIA's administrative overhead, but we believe more effective savings can be recognized by simplifying procedures and shortening lines of communication.

Administrative money for tribal contracts remains a problem. The BIA is not willing to transfer part of its own administrative budget when it transfers a function to the tribe or to a local school. So there is "no money" for tribal administration of a school system. There is not enough money for local administration of a Contract school. There is still no formula for administrative funding for educational programs. This has resulted in lower levels of funding for programs in the Navajo Area. When programs suffer for lack of adequate administration, the tribe or the community is charged with the failure. I urge you to make some provision through oversight hearings and appropriation language to assure that tribal and local self-government in education is not sabotaged by BIA's refusal to provide tribal contracts administrative money, or by the imposition of new levels of red tape on local and tribal programs. I also ask you to assure that all monies appropriated for Indian education programs are actually spent for Indian Education. This has not been our experience for the past two years. The administration's own budget figures show Indian education programs outlay consistently below appropriation.

There are other matters I should also mention here. These include the importance of Title I program and the danger of sending to states programs in which tribes have participated without a specified mechanism of setaside for tribes as block grants. These will be addressed by others, I am sure. The matters discussed above cover the major concerns of the NDOE in regard to the appropriation proposals for Indian education. I am including with this testimony a number of fact sheets dealing in more detail with different aspects of the Indian education budget and administration of these funds. I have also summarized below our major recommendations. I hope you will find them useful.

RECOMMENDATIONS

1. Distribute budget cuts more equitably in the Interior Department budget, so that Indian education's share is proportional.
2. Improve ISEF funding, and require BIA to base its ISEF formula on education standards and the other requirements of Public Law 95–561.
3. Restore the massive cuts made in Impact Aid under Public Law 81–874 and Impact Aid construction under Public Law 81–815, and retain these programs in the Department of Education or its successor.

4. Allow a tribally-operated Vocational Rehabilitation program, such as that administered by the Navajo Tribe to be treated the same as a state or trust territory program for funding purposes.

5. Provide adequate funding for higher education according to a formula based on population or numbers of students.

6. Preserve vocational education programs such as the Southwestern Indian Polytechnic Institute and assure the survival of a basic level of adult education according to a formula based on population or numbers of students.

7. Restore excessive cuts to the Title IV program and retain it in the Department of Education or its successor.

8. Use oversight procedures and budget language to eliminate the red tape and withholding of funds which plagues the JOM program. Require allocations under this program to follow the school year more closely, as Title IV does.

9. Assure that special education funding will continue to be available to reservation public schools, BIA schools and contract schools.

10. Use oversight procedures and appropriate budget language to assure that transfer of control of BIA education programs to tribes and local schools will not be accompanied by growth of BIA red tape, or withholding of program resources. Budget language and oversight should also be used to assure that BIA administrative funds are available to fund tribal and local administrative costs when programs and functions are contracted.

Appendix A

Impact Aid Fact Sheet

The following facts are relevant to a discussion of proposals for funding of Impact Aid (Public Law 81-874) and Impact Aid School Construction (Public Law 81-815), and the impact of these proposals on the Navajo Reservation.

1. Impact Aid, provided on the basis of the presence of Indian trust land is provided to:

A. Arizona

Forty-five School Districts: Serving approximately 22,950 Indian students (based on ADA). Receiving in 1981 approximately $32,937,439.70. Seventy percent of this figure would be approximately $23,056,207. Thirty-two of the 45 districts receiving Impact Aid have 50 percent or more Indian students. Twenty-four of these districts have 90 percent or more Indian students. These districts may be presumed to have a tax base which varies from completely inadequate to virtually nonexistent. They cannot support themselves out of property taxes.

B. New Mexico

Twenty-three Districts: Serving approximately 17,853 Indian students (based on ADA). Receiving in 1981 approximately $20,782,564.07. Seventy percent of this figure would be approximately $14,547,794. Twelve of the 45 districts receiving Impact Aid have 50 percent or more Indian students. Seven of these have 90 percent or more Indian students.

C. Utah

Five Districts: Serving approximately 1,800 Indian students (based on ADA). The majority of these students are in San Juan School District on the Navajo Reservation (1,221.75); receiving in 1981, $2,125,172.76. Seventy percent of this figure would be approximately $1,487,620.

2. BIA estimates contained in the 1983 budget project the following increases in public school enrollment by Indian students:

1981	177,822
1982	179,500
1983	181,000

Despite these projected increases in enrollment, budget requests and allocations for Impact Aid are as follows for "a" children:

1981	$396,500
1982	345,000
1983	275,080

3. While we do not have exact figures, based on our JOM figures, there are at least 36,000 Navajo children in schools receiving Impact Aid. The Navajo Nation stands to be the largest loser in the planned reductions in Impact Aid.

Appendix B

Fact Sheet on Implementation of Public Law 95-561 and the Indian Student Equalization Formula (ISEF)

ISEF is required by Title XI of Public Law 95-561. That law requires the Secretary of Interior to establish a formula for the funding of BIA schools and Contract schools. It is apparent from reading the requirements of the law that this formula is meant to be a means of determining the actual cost of operating these schools and funding them based on their actual costs. In order to make the formula real, the Secretary of Interior is under strict time limits to develop:

1. Academic standards for the basic education of Indian Children.
2. Criteria for boarding arrangements for Indian students, including adult-child ratios, needs for counsellors, space, and privacy.
3. Plans for bringing all schools, dormitories and other facilities up to state and federal health and sanitation standards.

Once the Secretary has developed these standards, he is supposed to include with each budget request an estimate of the actual cost of meeting the minimum academic standards he has developed, the cost of meeting the criteria for boarding arrangements, and the cost of meeting relevant health and sanitation standards.

The deadlines for setting standards and criteria have passed. No standards or criteria have been formally proposed. It is widely understood that standards and criteria have been developed, but they have been found to cost money. As a result, it is impossible for the secretary to include with his budget request a realistic estimate of the cost of meeting relevant academic standards or dormitory criteria. This means that it is impossible to analyze the budget request for ISEF in terms of the actual cost of providing an appropriate education to the children in BIA and Contract schools. With federal funds to public schools with significant Indian populations undergoing a massive cut, it will not be possible to use a comparison with Federal funds provided to public schools in the same area as a measure of the real cost.

ISEF is recommended for funding at below the 1981 level.

1981	$185,724
1982	176,106
1983	179,841

The reductions are predicated upon closing of Intermountain and Mount Edgecumbe boarding schools. The proposed transfer of schools to the public school system in Alaska does not appear to be slated for completion this year, and carries some financial costs anyhow. No analysis is made of the increase in enrollment of students in the BIA schools on the Navajo Reservation that is likely to result after the closure of Intermountain School. Therefore, the projected savings from closing this school are undoubtedly overstated.

The cuts are justified from the projected decrease in enrollment in BIA and contract schools. However, figures from the schools within the Navajo Area School Board Association, an association of BIA school boards reveals that enrollments in these schools have been increasing at the same time that ISEF funding has been decreasing.

BIA figures for the 5 agencies on the Navajo Reservation show a net increase of approximately 600 students between November of 1980 and November of 1981. At the same time, the 21 NASBA schools show a net decrease in ISEF funding of $465,341.00. This clearly demonstrates that the budget cuts that are being justified to Congress as a result of decreased enrollment, are in fact resulting in funding reductions for school with increasing enrollment. Present enrollment in BIA and Contract schools on the Navajo Reservation is approximately 17,500 students. This figure is expected to increase in coming years.

The BIA has a policy of disallowing any new school starts under the present funding situation. While this policy may seem understandable given the budget, it robs the BIA funded system of the flexibility needed to respond to changing educational needs of Indian students. For example, a group of concerned young adults on the Navajo Reservation have developed a model program for an intensive vocational high school program for young people who have trouble with the regular education system. These are students who the BIA has a legal obligation to educate. But they are not thriving in regular school. The proposal would use an existing BIA facility in Continental Divide, New Mexico, a facility for which the BIA has no further use. It is a very cost-effective proposal. It would

serve students referred by the court, school dropouts and students wanting to take advantage of the accelerated, 3-year program. The program has been endorsed by the Education Committee and Judiciary Committee of the Navajo Tribal Council and by the District Court Judges Association of the Navajo Tribe. There is no comparable facility available to the tribe. In fact, district court judges often have no community placement to which to refer teenagers appearing before the court. Nonetheless, this BIA policy could prevent this needed project from getting off the ground. The result will be students who the BIA has an obligation to educate being unreached by the education system.

APPENDIX C

FACT SHEET ON JOHNSON-O'MALLEY FUNDS TO NAVAJO TRIBE

The Navajo Tribe Division of Education has a contract with the Bureau of Indian Affairs to administer the Johnson-O'Malley Program on the Navajo Reservation and in those schools near the reservation borders with large numbers of Navajo schoolchildren. In fiscal year 1981, the Division (NDOE) administered 26 subcontracts. These subcontracts provided Johnson-O'Malley funds to 28 schools, including 8 contract schools (community controlled Indian schools with funding through the BIA). These schools provided educational services to over 37,500 Navajo schoolchildren.

The fiscal year budget for the Navajo Tribe's Johnson-O'Malley program was $11,145,658.17. This was an unusually large budget. It was the result of carryovers from fiscal years 1977, 1978, and 1980. A major amount of the carryover was derived from 1977 and 1978. It had occurred because certain invoices transmitted by the Tribe to the BIA's contract officer's representative (COR) had not been passed on to the BIA's central office. Therefore, the invoices were not paid by the BIA in a timely manner. The Navajo Tribe extended much time and effort in getting the matter straightened out. As a result, these invoices were paid and the payments treated as carryover in the 1981 fiscal year. The funds were credited to the individual schools whose invoices had been involved. Of the money carried over into 1981 and the money appropriated for 1981, $6,253,899.40 was spent and $4,365,751.00 was carried over into 1982.

1982 was a difficult year. No notice of allotment was received for the Navajo Tribe's Johnson-O'Malley program until February 24, 1982. As a result, for the bulk of the school year, the Navajo Tribe and its subcontractors were dependent on the carryover funds and on money loaned by the Tribe from its general fund. The Tribe made loans of over a million dollars to the Johnson-O'Malley program, including over $34,000 to the contract schools. Although no exclusion for contract schools had been included in the continuing resolution, contract schools were excluded from participation in the Johnson-O'Malley program in the Interior Department appropriation bill passed in December. These schools were required by the BIA in December to immediately discontinue any JOM program funding. Most of those that had programs which had been funded through the Johnson-O'Malley program have been forced to discontinue these programs in mid-year. It is unlikely that resources will be available to repay the loan from the Tribe. (As stated in the main testimony, the assumption behind the exclusion of contract schools from JOM funding, namely that the ISEF formula provides funding for these supplemental programs, is not born out by the experience of our contract schools.)

On January 29, 1982, the acting director of the Office of Indian Education Programs signed a letter freezing all carryover funds in the "B3112" account. Initially, the Tribe was informed by a BIA official in the central office that this freeze applied only to carryover funds in the contract school accounts. Then, the Tribe was told that the freeze applied to carryover funds in all schools (this from a BIA official in Gallup). Next, local BIA official claimed that the freeze applied to the entire 1981 budget of $11,145,658.17!

The Tribe's JOM program was in the process of warning all subcontractors that all funds must be considered as frozen until the matter was settled when the notice of allotment arrived on February 24, 1982. In the meantime, many schools had been required to cut back their program in midyear, lay off employees, let supplies run out. The exact status of the freeze is not clear at the time of this writing (March 1, 1982).

This history is described to give some example of the extreme difficulty which can be created by administrative snarls, budget insecurity and late-arriving funds. The school year begins in August. It ends in May. There has been a lot of exasperation with the Johnson O'Malley Program this year.

APPENDIX D

TESTIMONY OF NAVAJO TRIBE VOCATIONAL REHABILITATION PROGRAM

The primary objective of the Navajo Vocational Rehabilitation Program (NVRP) is to provide VR services to eligible handicapped clients of the Navajo Nation—services which are local and relevant—linguistically, culturally, and environmentally; and to provide these services on a guaranteed continuous basis for the establishment of stability and permanency.

An appropriations recision is being considered which, for the NVRP, may mean a possible financial cutback of up to $162,500. What does this mean in terms of services?

In comparison, $140,000 of our budget is earmarked for training of clients for entrance into gainful employment. This fiscal year our goal is to have 50 clients rehabilitated and successfully employed. Expenses are incurred on all clients whether they are successful or not with the initial expenditure being the establishment of their eligibility. We have a current caseload of over 450 clients, and we anticipate an increase of this figure as a result of expanding our services to the more severely disabled population.

The jurisdictional boundaries of our service area encompasses a vast and remote territory, thus, making personal contact the most reliable, and in the majority of cases, the only method of communication, therefore, a substantial portion of our budget is devoted to travel or related line items. Some of these travel cost are consumed for transporting clients to training locations away from the reservation.

Salary cost to staff NVRP is budgeted at $365,000. Some of these staff members are assigned to the task of developing, establishing, and expanding local rehabilitative resources such as economic development, job placement, facilities coordination, etc. Along the same lines, an emphasis is being placed on in enhancing local resources.

The NVRP supports the concept of block granting as long as the grants are categorical. In the same light, the NVRP wishes to be treated as a trust territory for funding purposes such as Guam, Virgin Islands, etc., who receive Basic State Grants. Presently, our program operates under a one year Special Project Grant renewable each year. This does not ensure stability or continuity.

Some of the component programs of the NVRP are also funded by special project grants. Hogan Naa Nish identifies potential VR clients in high schools and provides a transitional program for them to enter VR services, thus, more effective services can be provided to them. Handi-Rec has provided recreational activities for handicapped individuals on a localized basis where none were available before. If funding is withdrawn for these developmental programs, services to handicapped Navajo people would be less than comprehensive and would seriously retard or interrupt any developmental programming.

In the interest of comprehensive programming for the handicapped one of which has been vocational education. To our knowledge there is no set aside targeted for vocational education of handicapped Indians. Over the past three years we have submitted a proposal each year to fund a vocational education program. These proposals were submitted in competition with other vocational education projects not specifically targeted for the handicapped. None of our attempts were successful. Any reduction of funds in this area will adversely effect our minimal chances for receiving monies to finance such a project. A separate set aside for vocational education programs for handicapped Indians is recommended.

The "Education of all Handicap Act" of 1973 (Public Law 94-142) has promoted special education for Indian children immediately. Any negative action upon this piece of legislation would seriously impede the delivery of educational services to the handicapped Navajo child, and current programs operating under monies from this legislation would suffer a severe set back.

Senator COHEN. I would only say for myself—I think it is shared by the other members of the committee—that perhaps second only to health would come education. You have to have health first, but second you have to have education, above and beyond anything else in the budget for my concern, even above housing, even above economic development because if you start impacting upon the educational opportuni-

ties of the young people of this country, including those in the tribes, then what you are doomed to see is an existence of poverty and disadvantage in perpetuity. It does not make any difference if you have good houses or you have nice buildings if you have an uneducated population who cannot cope with the changes that are coming in the future.

I think it would be fair to say that most of the members of this committee, and I would suggest most Members of the Congress, would place one of the highest priorities upon education.

Mr. GISHEY. I appreciate the comment. That is exactly what I am trying to say; that there is so much emphasis on economic development and natural resource development, but we should not forget education. Unless you have education, those developments could be held out indefinitely.

Senator COHEN. Thank you very much.

Mr. GISHEY. Thank you.

Senator COHEN. That concludes the testimony for the committee.

The hearing stands adjourned.

[Whereupon at 12:55 p.m., the hearing was adjourned.]

APPENDIX

Additional Material Submitted for the Record

ALL INDIAN PUEBLO COUNCIL, INC.
1015 Indian School Rd. N.W.
P.O. Box 6507
Albuquerque, New Mexico 87197

BEST COPY AVAILABLE

Testimony presented to Senator William S. Cohen, Chairman, Senate Select Committee on Indian Affairs, March 1, 1982, by Delfin J. Lovato, Chairman, All Indian Pueblo Council.

Mr. Chairman, my name is Delfin J. Lovata, and I am the Chairman of the All Indian Pueblo Council. The All Indian Pueblo Council (AIPC) was formed by the nineteen Pueblos of New Mexico over three centuries ago for purposes of mutual survival and benefit.

First off, I want to express my gratitude to you, Mr. Chairman, and this Committee for allowing me to express my veiws on the activities of the Bureau of Indian Affairs, (BIA), Department of the Interior.

Because of the enormity of the activities conducted by the BIA, it is difficult to adequately address each aspect of its activities. This is especially made more difficult by the fact that the Indian leadership has been kept in the dark about the proposed reorganization of the BIA. We have only heard of a broad concept as to what is being proposed, but we have not seen the related costs, or savings, or other ramifications, which will result in order to help us understand whether the suggested plan will result in better services to Indian people. Given this background then, I believe that it would be useless to attempt to second guess whatever is being contemplated within the BIA.

At this point in time, I believe the only alternative we have is to recommend that this Committee work to assure that appropriations for the 1983 Fiscal Year, not be reduced below the 1982 level in all areas of Indian Programs, whether in Interior or otherwise. At least, our belt-tightening experiences due to reductions in FY 1982, would not be repeated in the manner that we have had to meet the cuts. Our people have already

been penalized more severely than other Americans by increasing unemployment and by decreasing social and economic programs.

Moreover, I need not remind this Committee that the economic infrastructure necessary to accommodate the Administration's idea of private sector participation on Indian reservations is unworkable. Because most reservations are situated away from population centers, industrial areas and so forth, which is not conducive to enticing "profit interests" entites to invest in areas where investment returns are largely unkown.

In order to assist Indian tribes in a positive fashion, new ideas need to be implemented, especially ideas which specifically aim at overcoming the lack of business infra-structures on Indian reservations. I think that in order to examine this problem, a task group may need to be formed within this Committee which would allow for participation of selected tribal leaders to have a role in designing a new mechanism or new legislation to address this issue.

I have made these comments as a result of my concern and my interest in seeing the National Indian community's social and economic conditions not being further exacerbated. I believe, being poorest of the poor, that the Indian community's share of budget cuts are disapportionately higher than all other Americans. It is my hope that this Committee will lead in championing "no more cuts for Indians."

As far as "Pueblo Country" is concerned, I want to discuss our concern regarding the proposed closure of the Southwest Indian Polytechnic Institute, (SIPI). Again, lacking specific information, it is difficult to talk about. However, I wish to inform the Committee that the Pueblos are interested in seeing the continued operation of SIPI.

Five years ago, the AIPC contracted operation of the Albuquerque Indian School (AIS) which subsequently was moved to Santa Fe. We have overcome many problems and are now achieving success with our educational programs, especially as verified by National test criteria. We are continuing to experience problems, however, probably due to our not being a BIA operation and consequently not getting the full consideration for priority in funding and participation in other programs.

For example:

1. The Bureau of Indian Affairs has made an administrative decision that tribally controlled contract schools are not eligible for Johnson-O'Malley funds.
2. There is a lack of basic financial support from the Bureau of Indian Affairs for Plant Management and for major alterations and improvements to campus facilties.
3. We are unable to participate in the U.S.D.A. commodity and hot lunch program because the State government is not able to define how a tribally controlled contract school fits into the Federal rules and regulations governing these programs.
4. Public Law 95-561 (The Indian School Equalization Program) sets the budget for contract schools. This year in a time of soaring inflation, the allotment shows a 3% reduction over last year.

As Indian people, committed to Self-Determination, we cannot continue a successful educational program without adequate financial support.

Because the BIA has made decisions detrimental to operations of our school, we believe a directive to the BIA is essential to assure that consultation and decision-making must be a partnership endeavor between BIA and AIPC.

We have heard too, that the Administration plans to place the Office of Indian Education Programs, Department of Education, in the BIA. Just last week we listened to testimony presented by the Assistant Secretary for Indian Affairs regarding his decision to close a number of off-reservation BIA schools. The factors brought out at that hearing indicated to us and this Committee, that the decision to close the schools were based on relatively little factual information or cost analysis. It was made abundantly clear that the management ills this Committee and other committees of the Congress have attempted to rectify within BIA still permeate that organization. We believe that the Office of Indian Education Programs should remain within the Department of Education so that it can continue to function without the taint of mismanagement.

Another item I wish to bring to the attention of this Committee is that of the trust responsibility of the Federal Government. We are hearing that a review is on-going to examine whether education, and perhaps other areas, are encompassed in this "trust responsibility." The fact is that the people in whom we place our trust in, to advocate for Indians, seemed to have abdicated this trust and are now simply marching to the Administration's tune. We all know that the trust responsibility of the Federal Government is girded in laws, Federal Court decisions and Executive Orders. It is, in my opinion, a very serious breach of trust, when the highest officials charged with guarding and carrying out services to Indian people, which

emanate from "agreements" between Nations, are questioning the validity of these agreements. We have never experienced this overt attitude or action in previous years. I hope this Committee will work to protect the validity of these treaties and so forth, to assure that America is sensitive to carrying out its end of these agreements to their fullest intent.

With regard to all other areas of activities of the BIA, the AIPC is concern that no decision has been made to assist that many small tribes, like the Pueblos, who are served by what are termed "multi-tribal agencies." That is, eight Pueblos are served by one agency and ten Pueblos by another agency. The funds, staff, equipment, etc., are shared one-eighth or one-tenth. Because funds are further limited in such situations, a funding mechanism separate from the single agency - one tribe situation needs to be implemented. Only in this fashion can substantial rather than superficial assistance be realized.

In closing I want to reiterate that American Indians are the poorest of the poor, and we carry no big political clout. We depend on the sense of justice and fairness of each member of Congress to assure that we will someday truly share in what most Americans take for granted.

STATEMENT OF THE CHEYENNE RIVER SIOUX TRIBE
BEFORE THE SENATE SELECT COMMITTEE ON INDIAN
AFFAIRS REGARDING OVERSIGHT OF THE INDIAN
HOUSING PROGRAM

March 1, 1982

This statement is submitted by the Cheyenne River Sioux Tribe regarding the future direction of the Indian housing program. In general, the Tribe believes that, while the Indian housing program has been quite successful in reducing the number of Indian families who live in substandard housing, HUD continues to misunderstand the nature of public housing on an Indian reservation. If Indian housing authorities are to operate effectively, a number of specific changes must be made in our national policy concerning Indian housing.

At the creation of Indian Housing Authorities in the 1960's, about eighty-five to ninety percent of our Indian people lived in substandard housing. By contrast, the U.S. Bureau of Indian Affairs estimated that sixteen percent of the Cheyenne River Sioux lived in substandard housing in 1980. I believe that estimate to be low since our people tend to over-crowd their units -- especially during the winter months when the occupants "take-in" their less fortunate relatives. During the taking of the 1980 Census, there are several instances of recording as many as fifteen people living in one three-bedroom home. Since over-crowding a

dwelling unit is a violation of the dwelling lease with the Cheyenne River Housing Authority, it is unlikely that most low-rent occupants will admit to such practices.

The important point, however, is that the Cheyenne River Housing Authority has been responsible for the construction, under U.S. Department of Housing and Urban Development programs, of 590 low-rent dwelling units -- from one-bedroom units for the elderly to four-bedroom units for large families. The Cheyenne River Housing Authority has built and administers 209 units which will ultimately be owned by the occupant/purchasers. HUD programs have been instrumental in reducing the level of substandard housing from over eighty percent to approximately twenty percent.

The economics of attempting to operate a very large public housing authority -- in comparison to the total resident Reservation population -- in a totally rural area under a program originally developed to meet the housing needs of the urban poor are impossible. There is no doubt that HUD has been successful in providing housing for the poor on Indian reservations, particularly in the Northern Plains, but the capability of the Cheyenne River Housing Authority to maintain and protect the initial investment has been over-taxed. For the fiscal year ending March 30, 1982, the Cheyenne River Housing Authority budgeted a total of $1,092,000, of which $546,495 was to be provided from HUD as subsidy. Other federal programs offering employment

incentives have in the past provided substantial assistance to the Housing Authority in meeting manpower requirements for maintenence and for transportation costs. As many as five maintenance positions and two security officer positions, with transportation costs for private vehicles, have been added to the normal operating staff of nine maintenance workers and five Housing Authority-owned maintenance vehicles. Two of the nine CRHA maintenance men were "lost" last spring because of a HUD subsidy reduction of fourteen and a half percent within the 1981-82 CRHA budget year.

HUD does not utilize a "zero-based" budget, requiring justifications of need, but utilizes a complicated formula based on "performance factors," the formula for which is developed in Washington, D. C., on the basis largely of urban housing authority needs. Under this formula the Cheyenne River Housing Authority is not given sufficient funding to operate maintenance vehicles which may be driven 150-200 miles daily on a routine basis or hire sufficient men to travel fifty miles between repair jobs. Although each of our maintenance men is expected by HUD to take care of about eighty-five individual units, the fact is that they cannot -- time and mileage factors intrude.

Congress needs to be aware of the fact that in terms of total investment, HUD and the Cheyenne River Housing Authority must maintain an investment, including both reproducible structures and finance costs, of slightly more than

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$80 million. Because HUD construction standards are less stringent than "custom" home construction standards, care and maintenance must be more frequent and costly merely to protect the $80 million investment. A failure of more than a couple of years -- the CRHA does not have that time allowance because we have never been able to maintain structures at a reasonable level -- will result in serious deterioration of the dwelling. Poor people -- of any race at any time -- have difficulty knowing how to care for property. This simply makes the task of the Housing Authority tougher. The Federal government is in a position similar to an individual who purchased a house fifteen years ago: he no longer wants the house, but can find no buyer; and he is still in debt for fifteen more years on the mortgage. No reasonable, thinking man would quarrel with the goal of eliminating unneeded HUD subsidy expense, as the Administration promised to do. The loss of a total of probably $500 million in Indian Reservation dwelling real estate throughout the Northern Plains among Indian Housing Authorities is simply not good business.

Congress also needs to understand the impact of public housing on Indian Reservations, which is totally different from its impact among non-Indian people. Indian reservations are rural islands of poverty. The only asset available to Indians is land -- most of which was not desirable historically for non-Indian use. The land, however, is held in trust by the

Federal government for the use of the Indians and may not be "encumbered." Thus, there is no means for obtaining credit for home construction, and without collateral, no private entrepreneur can be attracted to build on Indian reservations. Because of the initial severe need for adequate housing on reservations, more than fifty percent of all Indians on the Cheyenne River Indian Reservation live either in low-rent or mutual self-help housing. In the non-Indian and urban communities less than five percent of the total population live in public housing. It should be noted that without FHA guaranteed mortgages, many non-Indians would not have adequate housing. HUD, in effect, assumed the entire load of providing housing on Indian reservations. In the non-Indian community other governmental instrumentalities responded to the housing needs of the population. Thus, the impact of HUD budget reductions on Indian reservations is disproportionate to what happens in American society generally.

The U. S. Bureau of Indian Affairs has concerned itself with Indian housing in the past, but BIA's best efforts scarcely "scratched the surface." Currently under the Bureau's Housing Improvement Program (HIP), in a "big" year as many as five or ten new houses may be constructed. If the current sixteen percent needing housing were to be helped, the Bureau could get the job done in ten or twelve years. The Cheyenne River Housing Authority and HUD currently have 100 new low-rent

units "in the pipeline" ready for bid. Essentially, the current needs of Cheyenne River will be "caught up" with this last project.

A great deal of difficulty has developed in recent years in the local regional office of HUD -- Region VIII in Denver, Colorado. Although each of the local Indian housing authorities is willing to accept part of the blame for the problems of Region VIII, as is the Cheyenne River Housing Authority, at least half the blame has to be laid at the feet of the Regional office and staff.

For over ten years, the total Regional commitment was to "production" -- the construction of new housing. Each of the Indian Housing Authorities became adept at development and construction of new housing projects. At the same time, however, little effort was expended on developing housing management skills. As the emphasis on construction introduced large amounts of capital into the situation, all kinds of wasteful management techniques became common -- not at all unlike "cost-plus" defense spending contracting practices. Now, with the number of projects going to construction decreasing, and the "management belt" of HUD being tightened nationally, the Indian Housing Authorities have been found to be lax and inefficient.

The instrument for bureaucratic chastisement, budget reduction, has brought each of the Indian housing authorities to the brink, and past the brink in some instances, of finan-

cial insolvency. Most Indian housing authorities are just now learning how to keep tenant accounts receivable in balance and to reduce delinquent accounts. However, even if all accounts were in order, the loss of HUD subsidies drives the IHA's farther "into the red." Since all reservations are relatively isolated, the costs of utilities, i.e., propane and REA electricity, continue to rise. On the Cheyenne River Reservation, utility costs for the average unit of public housing are about $135. The total cost operation for an average dwelling unit is about $195 a month. But, the monthly rent averages about $95 a month -- based on twenty-five percent of available income for a family. Because HUD subsidies must cover over fifty percent of the total operating costs, the loss of one HUD dollar in subsidy is very important to the IHA. Utility costs cannot be reduced; insurance costs are fixed. The only items left are maintenance and administration, and HUD tells us our houses are not being properly maintained and that we are not making enough effort in collecting rents and services fees.

There is no doubt that many Indians are individually and collectively angry with HUD. The Tribes recognize that, as far as meeting housing needs are concerned, HUD is "the only game in town." HUD seems intent, currently, in attempting to cajole the Indian Tribes into assuming the HUD debt. Indian Tribes, however, have no tax base --

all the resources are trust property and non-taxable. Even those services commonly provided by municipal and county governments are the responsibility of BIA; where Tribes do provide these services, they do so under P.L. 638 "Indian Self-Determination" contracts paid for by the Bureau and the Indian Health Service. The Indian housing authorities were created as semi-autonomous governmental entities, chartered by Tribal Councils. The debts of the IHA are not debts of the Tribes.

To summarize: First, HUD has done quite a good job of alleviating substandard Indian housing conditions. Second, HUD seems not to have concerned itself with "housing management" by the Indian housing authorities. The present effort of HUD to reduce expenditures leads me to my third point that a "penny wise, pound foolish" attitude now endangers the investment in housing that the Federal government has made. Fourth, HUD seems incapable of understanding the nature of the Indian reservation housing situation; I suspect that all rural public housing situations are in a similar condition. If there is a need to move the Indian housing effort to some other agency to achieve improved effectiveness, the Indian Health Service by virtue of its commitment, already evident, to providing utility service, i.e., water and sewers, to all Indian public housing, is better able to understand and effectively solve Indian reservation housing problems.

Thank you.

STATEMENT OF AL AUBERTIN, CHAIRMAN
COLVILLE BUSINESS COUNCIL
HEARINGS ON BUDGET OVERSIGHT
SENATE SELECT COMMITTEE ON
INDIAN AFFAIRS

February 25, 1982

Mr. Chairman,

The Confederated Tribes of the Colville Reservation in Washington State urge that the Committee on Interior and Insular Affairs recommend to the Budget Committee that it approve budget ceilings and an economic policy that will alleviate the severe socio-economic problems the Tribes are presently experiencing. These problems are aggravated by the combined effects of recession, high interest rates, inflation, and the FY 1982 cut-back in essential Federal spending.

The following is a report showing some of the major impacts current national economic policy is having on the Colville Reservation.

COLVILLE TRIBAL ECONOMICS

Timber

The Colville Reservation is 95% dependent upon the sale of timber for its income. The Forestry Program on the Colville Reservation is managed on a sustained yield basis with 120 M board feet planned to be cut annually. The sustained yield cut is based on a ten-year average.

By January 1982, timber sales in the Pacific Northwest have come to a virtual standstill. Records indicate that the timber business is at its worst and lowest levels in fifty years. The Crown Zellerbach plant in Omak, the Boise Cascade plant in Kettle Falls, and two smaller mills in Republic and Tonasket have curtailed all of their operations until further notice. These are the mills that serve reservation timber.

The Colville tribal forestry income, volume cut, and average price paid per thousand for stumpage for the past four years is as follows:

Year	Income	Volume	Price/MBF
FY 79	$24.7 M	141.9 MBF	$174.66
FY 80	$15.3 M	93.0 MBF	$164.38
FY 81	$17.4 M	111.7 MBF	$155.70
FY 82	$ 8.4 M	61.0 MBF	$137.00

The future looks bad, with the average price per thousand dropping sharply and the annual cut off by more than 50%. Tribal income will be extremely low for 1982, with inflation adding to the problem.

The fact that purchasers of Indian and National Forest Service timber have built their mills to meet the sustained yield quantities of the Tribes and National Forests results in two major problems. One, if the timber is not harvested

this year, it is nearly impossible to make up the difference in the succeeding years owing to the restricted mill capacities. Two, the location of the mills and size of the mills eliminate true competition between the mills on the stumpage sales from reservation and Forest Service lands.

Tribal Employment

Owing to the drop in timber income, the Tribes have been required to curtail essential services.

On Monday, January 18, 1982, thirty-five tribally funded programs, as well as the Colville Business Council, went on a four-day, 32-hour work week. Under the new work week, the tribal offices and services are shut on Fridays. Less than ten programs will operate on flexitime schedules to provide service in areas such as law and order, wildlife management, emergency services, health services, tribal enterprises, convalescent center and the Paschal Sherman Indian School. This action will reduce the Tribes' budget by one-half of a million dollars this fiscal year.

An additional savings of thousands of dollars resulted when the tribal administration closed its doors for two weeks during the Christmas holidays. Tribal employees were off-duty for eight working days during the two weeks and received holiday pay for Christmas and New Year's.

A comparison of the first pay period in February for 1981 with 1982 shows a decline of 247 tribal employees and a 31% payroll reduction:

Date	Number of Employees	Total Costs
1981 February PP #6	686	$411,600.00
1982 February PP #6	439	$283,800.00

Moreover, the Tribes have lost a substantial number of jobs, not only in foresty, but also in the mining industry. On January 29, 1982, the Mount Tolman mining project laid off most of their work force of 120 people. These figures will show up in the State's February unemployement rates. The Mount Tolman Project, if the economy were sound, would have been employing 800 to 1200 people at this time. However, when the national economy hit the long, downward trend, Amax cancelled the Mount Tolman Project. Most of the 120 people laid off by Mount Tolman were tribal members.

The Tribes' unemployment rate is astronomical. The State keeps records of unemployment by county, so there is no state figure for unemployment for the Colville Reservation. Okanogan and Ferry counties, where the Colville Reservation is located, had a 22.3% unemployment rate for December 1981 which climbed to 25.1% in January 1982. One of every four people are looking for jobs in the two counties. In January 1981, the average unemployment for Okanogan and Ferry counties was 13.8%. The State predicts that the 25.1% figure will increase again in February and March of 1982. It should be added that the manner in which the State reports unemployment rates disguises the true rate of unemployment.

The Bureau of Indian Affairs Labor Force data reflects the true rate. This data shows that in 1981 only 865 Colvilles living on or near the reservation are employed out of a total of 3,342 employable adults, for a 26% rate of employment. That means that 2,477 of 3,342 -- or 74% -- are unemployed and most of these are looking for jobs. The 1982 Labor Force will be calculated during the last week of March 1982.

Tribal Credit Program

The Tribal Credit Program is operating under severe restrictions at this time. Originally, the Tribes allocated $2.0 million for new loans in FY 1982; however, in the first round of tribal cutbacks in November 1981, these new funds were cancelled. The program will operate on its own funds (revolving monies) until further notice. No new major loans, such as loans for homes and land, are being made, so that the few dollars available can be diverted to emergency loans to needy families.

As of December 31, 1980, the Tribal Credit Program totalled $17.0 million, including 1,395 individual loans. At that time, there were 78 loans delinquent, valued at $148,000. In December 31, 1981, the Credit Program grew to $20.7 million, with 1,495 loans active. The delinquent loans climbed to 580, an increase from 6% to 39% in one year. The value of the delinquency at the end of 1981 is $560,000 -- a startling amount, which basically leaves no funds revolving in the Credit Program for this year.

The market value of homes appears to be decreasing this last year. Three homes were repossessed last year and could not be sold at the appraised value. Sales were made by either decreasing the fair-market value or decreasing the interest on the balance of the loan. In all these situations, the Tribes lost money on these transactions.

Tribal Housing

The Colville Tribes has completed 480 HUD housing units on the Colville Reservation over the past seven years. The economic recession is affecting the Tribal HUD Program in two major ways. First, the number of rent/loan delinquencies have nearly doubled in the past year. From December 1980 to December 1981, the number of delinquent loans/rents rose from 21 to 164, or a loss of tribal rental income to the Tribal Housing Authority of nearly $25,000 per month. Secondly, due to the large number of unemployed Colville members who occupy HUD homes, the occupants have asked for a reevaluation of their monthly rent. As each occupant's income changes on an annual basis, the rental is adjusted accordingly. In most cases this past year, the average rental costs have been decreased. Loss of rental income owing to these reevaluations has decreased the tribal rent income by $3,446 per month.

The Colville Tribes has constructed a municipal sewer system that serves the town of Nespelem, the Colville Agency and tribal headquarters. A cooperative agreement has been drawn up between the Tribes and the town of Nespelem to manage the community sewer system. A comparison of December 1980 figures with December 1981 is as follows:

	# Hook-Ups	Delinquent Accounts	Value of Deliquency	Average Value of Each Delinquency
1980	151	79	$2,074.15	$26.26
1981	170	86	$2,590.75	$30.13

Each hook-up cost is $6.50 per month. There are no changes in rates during this particular year.

Public Assistance

The Colville Tribes requested various assistance figures from the Department of Social & Health Services of the State of Washington. In Okanogan County, all applications for all categories of assistance are as follows:

	1980	1981
January	218	193
February	256	147
March	177	--
April	205	114
May	138	102
June	--	116
July	259	168
August	221	98
September	--	209
October	157	146
November	--	139
December	210	187

These figures disguise the impact of the recession on the county or reservation. Discussions with the Department of Social & Health Services reveal that the eligibility requirements for all programs have been tightened periodically. The State of Washington is facing one of its most difficult years financially. It has been mandatory for the Department to decrease case loads, because it has fewer funds available.

A more responsive index to the impact of the recession may be found in the food stamp program. The local DSHS Administrator reports the following figures showing the increase in applications for food stamps:

Food Stamp Applications

Okanogan County

June, July 1979	775 Applications	
June, July 1980	835 Applications	+ 8%
June, July 1981	1063 Applications	+27%

Tribal Courts

The effect of the current economic slump on the Colville Tribal Court has been two-fold.

Firstly, comparing the alcohol crimes handled by the Court in 1980 with those crimes handled in 1981, there has been an increase. In 1980, 25% of the crimes charged were crimes in which being under the influence of alcohol was an element of the crime. In 1981, 31% of the crimes were alcohol crimes -- an increase of 6%.

Because alcoholism is affected by many socio-economic factors, it is predictable that the current recession would cause an increase in alcohol consumption and a corresponding increase in the number of alcohol crimes.

Secondly, the Court has been giving the defendants more time to pay their fines. The requests usually come during sentencing. The judge used to give them from two weeks to 90 days, but now it is not unusual for defendants to plead for more time. Currently, it is not unusual for the defendants to be given from 60 days to four months to pay their fines.

Requests for fine extensions also occur after sentencing but before the fine is due. There has been an increase in post-sentencing requests, with defendants pleading for more time to complete the payments on their fines. Ordinarily, these requests are granted, as long as some amount of payment is being received.

In conclusion, the current economic slump has affected the Colville Tribal Court in that it has created an increase in the number of alcohol crimes charged in the court, and it has created an increase in both the number and length of extensions for payment of fines.

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Statement of Dr. Helen M. Scheirbeck
Indian Information Project/LRDA
Before the
Senate Select Committee on Indian Affairs

March 1, 1982

MEMBERS OF THE SELECT COMMITTEE:

Thank you for the opportunity to express the deep concerns of Eastern Indian tribes, organizations, and people about President Ronald Reagan's proposed budget for fiscal year 1983 to the U.S. Congress. The budget calls for major cuts in domestic "discretionary programs," which include many of the only direct services available and of vital importance to all American Indians.

The Indian Information Project is an advocacy, information-sharing, and outreach service to all Eastern Indian tribes and organizations (not on Federal reservations) east of the Mississippi River. Our office works with 110 of these groups. Let me state, Mr. Chairman, that our people are the most neglected and legally misunderstood Indian people in this nation. Although the east was discovered long before the west and eastern Indian tribes, and our people were here to greet and assist the first colonists to adjust to their new homes, after colonial history was made, our people were overlooked by the Federal policymakers. The daily existence for our Indian people east of the Mississippi River has

been tough, but we have survived. This historic oversight was corrected to a degree in the 1930s when a number of Eastern Indians were brought under the Bureau of Indian Affairs, and then even more so during the decades of the 1960s and 1970s when tribal organizations became eligible to participate in the community services, education, manpower and employment training, housing, energy and, to a limited degree, health manpower training programs. The decade of the 1970s saw a Presidential mandate to the Department of Health, Education, and Welfare (now Department of Health and Human Services) to serve urban and rural Indian people through the Administration of Native Americans. That initiative plus new authorities in education, CETA, health manpower training, and legal services gave Eastern Indian tribal and urban organizations needed resources to successfully tackle the problems of their people.

The Lumbee Regional Development Association, Inc., has a service population of 35,000 state-recognized rural Indians in Robeson and adjoining counties, North Carolina. Fifty percent of these people are at poverty level and the average grade level is 8.5. Our unemployment rate in the county is 20 percent as compared to 5.6 percent for the state. Out of 100 counties in North Carolina, Robeson County ranks fifth in the area. Let me illustrate the tribe's accomplishments in 1981:

- o CETA Title III
  - . Participants in classroom training - 222
  - . On the Job Training - 450 trainees
  - . Work Experience - 188 trainees
  - . Public Service Employment - 584 trainees

The agency placed 232 of its trainees in the private sector and 310 additional trainees were placed in unsubsidized jobs full-time after termination. Although this record is excellent, the Administration proposes to defund totally groups like the Lumbees.

o Education

. Talent search which helps our students move into technical schools, colleges, and universities served 1,057 students in 1981, 77 percent of whom were Indians, and prevented 788 from dropping out; 402 were placed in post secondary institutions.

. Adult education has been in existence since 1977 in the community and 591 adults have received their GED's.

. Pre-school program has been in existence since 1973 and has served 745 students since its inception. This program has been a "God-send" for our youngsters, since state-recognized and non-reservation Indians are not funded by Headstart.

. Center for the Arts, which is a community-based performing and visual arts program, was funded in 1980 and has served 200 students.

All of these education programs, which have given these Lumbee students an even chance, will be lost if the Title IV, Indian Education Act Program is transferred to the Bureau of Indian Affairs.

o Health Manpower grants scholarships to Lumbee students interested in pursing health careers. We have 3 dentists, 2

veterinarians, 7 pharmacists, 1 psychologist, 2 health care administrators, and 13 doctors. Of these Lumbees, 12 graduated in the last three years.

Obviously, this is an area where the Lumbees have made great strides. All of these statistics illustrate clearly how well our people are using the equal opportunities of the last decade. Even with these remarkable accomplishments, 50 percent of our people are at a poverty level and our average grade level is 8.5. Unemployment is 20 percent among the Lumbees and 5.6 percent in the State of North Carolina as a whole.

Let me highlight for a moment what the President's budget would do to the Eastern Indian tribes, organizations, and communities:

Department of Education

The President proposes to abolish the Department of Education in 1983 and replace it with a Foundation for Education Assistance responsible for block grants and consolidated aid for state and local educational agencies, student loans and grants, and other educational functions. All Indian groups have participated in Title I, ESEA, as a source for remedial basic education, improved curriculum, and home and school liaison. The proposed cut from $3.1 to $1.9 billion would cause a loss of all the critical skills teachers in both the public schools and the Bureau of Indian Affairs schools. Student loans and grants have been the only source of undergraduate financial assistance for the 600 Eastern American Indian students in higher education. Without such assistance, it appears to us that 500 of these students could not gain the skills available at technical schools and colleges, because they could not enroll.

Another part of the President's proposal is to transfer the Department of Education's assistance programs funded under Title IV of the Indian Education Act to the Department of the Interior, Bureau of Indian Affairs. This program would be cut by $26.7 million. If such a transfer takes place, all urban, rural, and other American Indians not under the jurisdiction of the Bureau of Indian Affairs will lose these programs. Indeed, all the Indian children attending public schools (300,000) would be in jeopardy of losing these services. The critical elements of parent involvement with the local educational agency, Indian professional scholarships for lawyers, doctors, and business majors will be lost, as well as the pilot R and D projects in curriculum and adult education. This one act would do irreparable damage to the positive education achievements of the past decade.

Department of Health and Human Services

The Administration for Native Americans is the major agency in this Department charged with promoting Indian self-sufficiency and self-determination. It has been helpful to urban and rural Indians not living on Federal reservations, by funding tribal organizations, administrative capability, social service, and recognition grants. This agency is targeted for an 18 percent cut next year, which would put their budget at $23 million. The Financial Assistance grants are to be cut by $4.3 million next year; this would reduce Indian projects from 179 to 135. There is no doubt in my mind that urban and rural Indians not living on Federal reservations would receive the largest share of these cuts. This agency under its present leadership has steadily moved into supporting tribal governments on Federal reservations, instead of maintaining its original initiative to serve urban and rural Indians not living on Federal reservations.

Indian Health Service funds the Health Manpower Services Program, under the Indian Health Care Improvement Act, which grants scholarships to Indians in the health professions and those pursuing Master's of Public Health at Schools of Public Health - University of California, Berkeley; Hawaii; North Carolina; and Oklahoma. These schools provide our only source of trained Indian man and woman power in the health field. We strongly urge that these programs be continued and funded at their current FY'82 level of $240,000.

Department of Labor

Much progress has been made under the Comprehensive Employment Training Act which is expiring. Our people understand and appreciate the Administration's concern with waste, fraud, and more cooperation with the private sector. Yet, it is important to realize that the technical assistance grants which could have been of primary assistance to all Indian grantees were never funded. This meant that many of our programs were not as effective as they could have been. We urge this Select Committee to look closely at any new legislation proposed for this area to ensure that urban and rural non-reservation Indians are included and that technical assistance is incorporated into any new proposals.

The Indian Information Project is extremely concerned about the draft Administration bill circulated for comment late last week. That proposal would serve only the "Federally recognized" tribes and completely leave out urban and rural Indian tribes and organizations. Our project endorsed the statement by the Indian and Native American CETA Coalition and filed a letter stating this.

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It is our understanding that the President's budget requests $30 to $50 million for Special Target Programs. American Indians would be included in this category. It is not clear how much would be earmarked for American Indians, and if the indicators we have seen hold true, urban and rural Indians would not be included.

Legal Services Corporation

The President proposes zero funding for the Legal Services Corporation. Funds from this Corporation would be combined with human services block grants to the states. No mandate would be given to the states regarding whether or not to fund Legal Services. The funding level in FY'82 was $241 million. Our project recommends continuing this level for FY'83.

The Legal Services Corporations have been a lifesaver for many Indians, minorities, and people at the lower socio-economic level of our society. For Eastern Indians, the Legal Service Corporations have just expanded into rural areas in the last three years. Prior to that, the majority of our people had no means of accessing the judicial system for settling disputes, particularly civil ones, and, thus, many were denied any justice at all. In the case of my own tribe, the Lumbees, the Lumbee River Legal Services Corporation has assisted in ensuring justice in cases of Gerrymanding, voting rights, and employee discrimination in industry. In addition, this group is aiding all the North Carolina Tribes in their quest for legal recognition. If entities like the Lumbee River Legal Services Corporation are defunded, the cause of justice for America's minorities and socio-economic deprived will become rhetoric.

Conclusions

Although our project speaks directly about the needs of Eastern Indian tribes and organizations east of the Mississippi River, let me state our support for all the programs serving Indian people. All Indian people are at a developmental and transitional stage in our nation's history. All of our tribes and organizations are striving for self-sufficiency and self-determination. This last decade has seen increased trained Indian men and womenpower, planning and concrete evidence of increased opportunities in the various Indian tribes and communities.

All of us are concerned about the economic recovery of our nation. That recovery cannot occur if people who are being trained for employment (semi-skilled, skilled, and professional) are moved from potential employees to the unemployed and underemployable rolls.

It is imperative, Mr. Chairman, that the positive development of Indian tribes, organizations, and communities continue so that our people can move into the category of self-sustaining. I urge you to recommend to the Budget and Appropriations Committees a continuation of these vital Indian programs at least at the minimum level of FY'82 and, where possible, an increase to reflect the costs of inflation.

Mr. Chairman, our people support our President when it is possible to do so; however, in this instance the President's proposal would devastate the important developments which occurred for all Indians in the last decade. The President's proposed budget would be most harmful to Indian people (tribes and organizations) who live east of the Mississippi River. We urge this Committee to be the spearhead in fighting for justice and equity for all American Indians.

Thank you.

(I would like to submit for the Record, a chart indicating how our people, the Eastern Indians, fared under the initial round of block grants, a map which indicates where the Indian tribes and organizations with which the Indian Information Project works live and, finally, our letter of support for the Indian and Native American CETA Coalition's statement concerning the new proposed CETA legislation.) Thank you.

CHART I

Economic Opportunity Report

February 1, 1982

Community Services Block Grant Allotments For States*
Fiscal 1982
(Based On The Annual $348 Million CSBG Rate Under The Continuing Resolution)

	State	State Allotment Fiscal '82	Indian Tribes**	5 Percent Adm. Costs***	Amount Available	31 Percent of State's Share	1st Qtr. Awards	2nd Qtr. Awards	Amount Remaining
1.	Alabama	$6,888,389	$40,000	$——	$6,888,781	$3,195,878	$1,068,707	$2,389,371	$3,210,703
2.	Alaska	1,094,527	——	54,216	1,040,111	525,357	137,469	387,888	504,754
3.	Arizona	3,086,142	548,573	——	2,537,569	1,283,960	407,110	876,850	1,253,699
4.	Arkansas	4,576,191	——	——	4,576,191	2,332,837	788,636	1,544,211	——
5.	California	31,542,231	——	1,577,112	29,965,119	15,282,210	——	11,282,210	14,682,908
6.	Colorado	3,086,097	——	150,805	2,885,292	1,441,599	188,483	1,272,816	1,480,933
7.	Connecticut	4,337,307	915	22,903	4,313,490	2,199,880	441,841	1,758,039	2,113,640
8.	Delaware	868,875	3,116	——	865,759	438,987	148,118	288,869	421,772
9.	D.C.	6,042,302	——	——	6,042,302	3,081,523	975,676	2,105,847	2,960,679
● 10.	Florida	10,035,861	——	501,793	9,534,068	4,862,375	460,570	4,401,805	4,671,693
●11.	Georgia	9,331,083	——	466,554	8,865,209	4,521,207	630,938	3,890,269	4,343,990
12.	Hawaii	1,447,993	——	——	1,447,993	738,476	233,818	504,658	709,317
13.	Idaho	927,5*	16,945	——	910,571	464,391	147,096	317,295	465,180
14.	Illinois	16,595,479	——	——	16,595,479	8,616,694	2,738,230	5,888,464	8,278,785
15.	Indiana	5,234,796	——	——	5,234,796	2,669,746	945,299	1,824,447	2,565,080
16.	Iowa	3,090,231	3,536	——	3,086,695	1,982,215	427,612	1,354,603	1,904,480
17.	Kansas	2,932,687	6,332	——	2,926,353	1,492,441	472,539	1,019,902	1,452,914
18.	Kentucky	5,888,728	——	——	5,888,728	3,088,356	952,510	2,055,846	2,990,363
[illegible]	[illegible]	8,356,525	25,000	——	8,331,864	4,331,477	1,340,203	2,891,274	4,085,397
[illegible]	Iowa	1,391,733	5,310	——	1,386,415	562,072	304,612	457,460	924,340
●21.	Maryland	4,771,036	——	238,554	4,532,486	2,311,568	——	2,311,568	2,220,918
[illegible]	[illegible]	8,864,308	6,665	——	8,857,523	4,516,164	1,429,914	3,086,250	4,339,809
[illegible]	[illegible]	13,332,889	33,648	——	13,299,757	6,782,876	2,147,604	4,635,[illegible]	6,516,881
24.	Minnesota	4,350,561	39,139	——	4,311,422	2,147,825	680,048	1,467,777	2,063,597
25.	Mississippi	3,710,573	9,550	——	3,700,023	2,911,[illegible]	921,875	1,989,727	2,797,421
26.	Missouri	9,952,451	——	——	9,952,451	5,075,750	1,607,091	3,468,659	4,876,701
27.	Montana	1,391,183	135,129	2,667	1,153,387	588,227	56,013	532,214	565,160
28.	Nebraska	2,435,583	14,451	——	2,441,132	1,244,977	394,187	850,790	1,196,155
29.	Nevada	863,875	28,239	——	835,646	426,180	136,050	290,130	409,461
● 30.	N. Hampshire	964,217	——	983	963,234	491,249	20,650	470,599	471,985
[illegible]	[illegible]	8,640,033	49,774	——	8,810,248	4,027,817	1,981,582	2,438,344	4,811,683
32.	New Mexico	2,308,783	——	115,439	2,193,343	1,118,805	21,536	1,097,060	1,074,728
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	164,505	——	9,370,098	4,779,150	1,512,357	3,266,801	4,591,340
35.	North Dakota	863,875	80,238	——	888,637	409,855	130,819	279,036	393,782
[illegible]	Ohio	13,772,618	1,367	——	13,769,051	7,022,216	2,223,384	4,798,832	6,744,835
37.	Oklahoma	4,570,856	108,507	——	4,440,347	2,264,577	712,585	1,551,992	2,175,770
38.	Oregon	2,902,641	10,582	——	2,872,057	1,464,750	463,771	1,000,979	1,407,309
● 39.	Pennsylvania	15,222,948	——	——	15,222,948	7,764,214	2,458,316	5,305,898	7,459,734
[illegible]	[illegible]	[illegible]	14,641	——	1,982,192	1,012,468	320,986	692,582	973,720
[illegible]	[illegible]	5,686,588	4,330	——	5,586,809	2,807,066	888,777	1,918,289	2,686,984
42.	South Dakota	863,875	125,909	——	737,966	376,363	——	376,363	361,603
● 43	Tennessee	7,683,156	——	——	7,683,156	3,612,409	1,143,766	2,468,643	3,470,747
44.	Texas	16,945,571	——	849,779	16,343,792	8,334,334	1,876,109	6,358,345	7,911,438
45.	Utah	1,481,284	23,660	——	1,385,434	706,118	219,940	486,178	676,586
[illegible]	Vermont	863,875	——	——	865,[illegible]	440,636	140,638	299,[illegible]	423,399
47.	Virginia	5,354,814	——	262,741	4,992,073	2,545,957	——	2,545,957	2,446,116
48	Washington	4,322,961	58,910	——	4,262,051	2,175,196	668,707	1,506,489	2,089,875
49	West Virginia	4,023,686	——	201,184	3,822,507	1,949,476	68,652	1,880,814	1,873,686
50.	Wisconsin	4,377,342	37,072	——	4,340,270	2,213,538	700,854	1,512,684	2,126,732
51.	Wyoming	863,875	31,130	——	828,745	422,660	134,906	287,754	406,085
52.	AM Samoa	206,380	——	——	206,380	105,254	——	105,254	101,126
53.	Guam	195,322	——	——	195,322	99,614	——	99,614	95,708
54.	Puerto Rico	15,047,119	——	——	15,047,119	7,674,031	2,439,162	5,344,869	9,373,088
55.	Trust Territory	933,883	——	——	933,883	476,280	——	476,280	457,603
56.	Virgin Islands	269,806	——	——	269,806	137,601	38,331	99,070	132,388
57.	N. Mar. Is.	122,399	——	——	122,399	62,403	——	62,403	59,996
	Totals	340,389,806	1,616,947	5,904,515	333,948,424	169,883,747	41,988,409	127,845,338	168,943,386

*Source: Office of Community Services
**Indian Tribes may get direct CSBG awards from HHS.
***For states not running the CSBG, HHS may deduct 5 percent of a state's quarterly block grant award for administrative expenses.

• Indians in these states received nothing.

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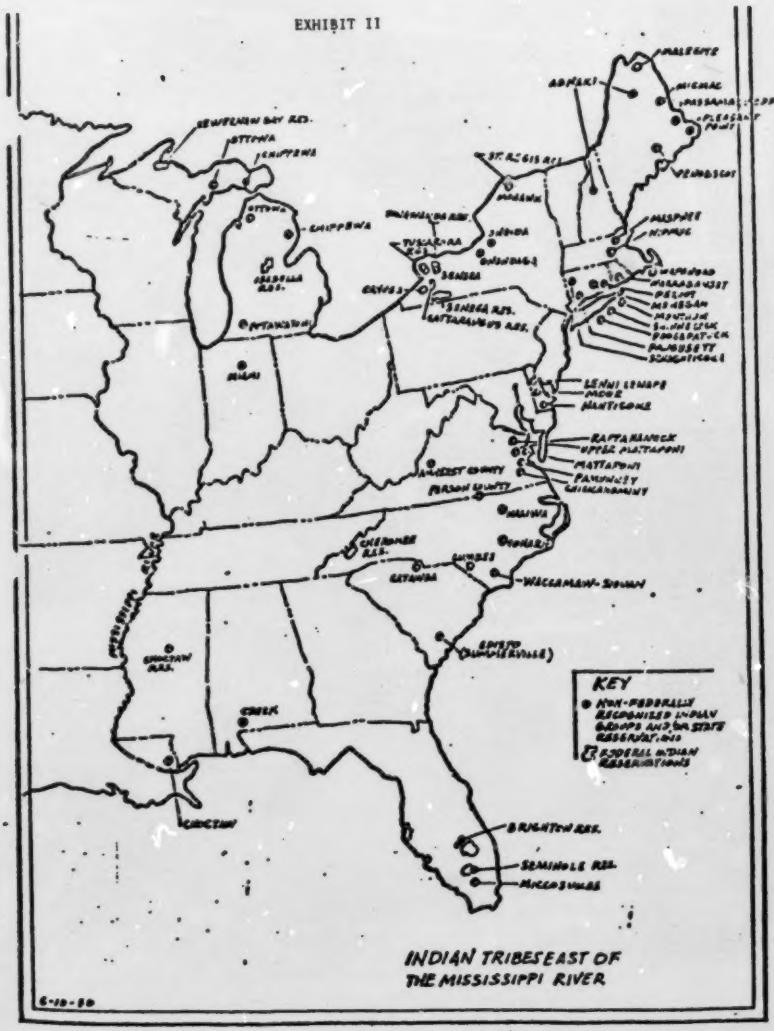
EXHIBIT II



INDIAN TRIBES EAST OF THE MISSISSIPPI RIVER

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INDIAN INFORMATION PROJECT
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ADOLPH L. DIAL
Chairman
KENNETH R. MAYNOR
Executive Director
DR. HELEN M. SCHEIRBECK
Project Coordinator

February 23, 1982

The Honorable Raymond Donovan
Secretary of Labor
Department of Labor
Washington, D.C.

Dear Secretary Donovan:

The Indian Information Project is strongly opposed to the exclusion of non-reservation (urban and Rural Indians) in the Administration's "proposed" draft legislation to replace CETA.

Our office and constituents fully endorse the position stated by the Indian and Native American CETA Coalition in their letter to you of February 23, 1982.

We urgently request that the Administration correct this situation immediately.

Thanks for your cooperation and assistance.

Sincerely,

Helen M. Scheirbeck
Project Advisor

cc: Mr. William Kucvinsky

Note this letter was hand delivered.

Exhibit IV.

Indian and Native American CETA Coalition

February 23, 1982

Mr. William J. Kacvinsky
Acting Administrator
Office of National Programs, ETA
US Department of Labor
Room 6402, Patrick Henry Building
601 D Street, N. W.
Washington, D. C. 20213

Dear Mr. Kacvinsky:

The bill which the Department of Labor has drafted to replace the Comprehensive Employment and Training Act is completely and totally unacceptable to Indian and Native American organizations now participating in the CETA programs.

As drafted, this bill is a direct attempt to destroy Indian and Native American programs. It would:

1. Give the Department of Labor the ability to completely defund Indian programs at any time. This is the first bill proposed since the beginning of CETA which does not contain a minimum funding floor for Indian programs.

2. Terminate DOL-funded services for every Indian and Native American worker not permanently residing on a reservation or in a native Alaskan village.

3. Cripple whatever few Indian programs survive the other provisions of the bill by saddling them with all the restrictions on program activities and operations intended for state government-run programs. Most of these restrictions are inappropriate for the labor market conditions affecting Indian workers.

We once again urge the Labor Department to use the attached language, suggested by the Indian and Native American CETA Coalition, as the wording for the Indian and Native American provisions of an Administration bill. This language is based on positions taken by Indian and Native American

Information and Coordination Office: 1000 Wisconsin Avenue, Northwest, Washington, D.C. 20007 (202) 338-4804

grantees. It is identical in nearly all respects to the provisions of the bill sponsored by Senator Quayle (S. 2036).

The Funding Formula Issue

The introductory language to Part B of Title II of the draft bill gives the Secretary absolute and unrestricted authority to divide all funds available under the Part among any of the groups listed, in any way the Secretary wishes. There is no requirement that a single cent be provided for Indian programs. Since CETA was enacted in 1973, Indian programs have always been guaranteed a minimum amount of support through percentage-based funding formulas contained in the authorization legislation itself. The fact that this draft bill does not contain any minimum funding formula can only be interpreted as a move to completely deny services to all Indian and Native American workers despite their problems as the most severely disadvantaged persons in the entire U. S. labor force.

Indian programs must be guaranteed a share of the total funding available for all programs under the bill which is not less than the proportion of funds currently allocated to Indian programs under CETA. The Quayle bill contains such a guarantee.

The Termination of All Off-Reservation Programs

The language of Section 221 of the draft bill limits funding to tribes on federal and state reservations and to Alaskan native villages. This would deny services to the vast majority of workers who are members of federal and state recognized tribes, since most Indian workers find it necessary at some point to search for work in off-reservation communities. In effect, the bill says that an Indian worker who goes beyond the reservation line in search of work cannot be aided in that search by an Indian organization located there and familiar with his or her needs.

The bill automatically terminates all services to members of tribes who have never received or been denied or been terminated from federal recognition. It even denies services to members of tribes that have federal recognition but have had all their land taken from them. In effect, the draft bill sets the Labor Department up as the judge of who is an Indian and who isn't. This role does not belong to the Labor Department. It belongs only to the tribes whose sovereign powers give them the right to determine their own membership.

The wording of the bill places many of the services now provided to native Alaskan workers in jeopardy. It suggests that programs can only serve workers in recognized native Alaskan villages. Such language could destroy the effective service delivery mechanisms which the established native Alaskan regional nonprofit corporations have created and used to

deliver employment and training services uniquely suited to the unique status of native Alaskan people.

The wording of the bill would automatically terminate services to all native Hawaiians, a people who have suffered from the destruction of their indigenous governmental institutions, the seizure of their land and the impoverishment of their economic well-being in many ways that parallel the history of Indian people.

We have attached a lengthier description of the reasons why the present nationwide character of Indian and Native American programs should be maintained through continuing the direct funding of Indian and Native American organizations serving off-reservation workers.

Imposition of Inappropriate Restrictions

Section 221(e) of the draft bill limits the programs and activities which Indian grantees can conduct exclusively to those permitted to non-Indian recipients under the language of Sections 112 and 113. This would, among other things, prohibit any form of wage or allowance payment to Indian participants, restrict administrative costs for every Indian grantee to 15% and restrict the amount of supportive services to 10%.

Whatever the justification may be for such restrictions in non-Indian programs, they will, if flatly applied to Indian programs, destroy the effectiveness of services to most Indian workers. Under these restrictions, Indian workers needing skill training could not get it because of the flat prohibition on allowance payments and the limitation on supportive services for those who must be trained in a residential facility because of the lack of training facilities near the trainee's home. Under these restrictions, Indian workers with limited or sporadic work histories could not acquire work habits and work records through work experience activities. On-the-job training in the private sector, which would be practically the only permissible activity, cannot be conducted on many reservations where private sector employers are virtually non-existent.

The present language of Section 302(f) of CETA, continued unchanged in the Quayle bill, would permit the tailoring of Indian programs and services to meet the actual labor market needs in Indian communities. This is the only sensible approach to the very severe and diverse needs which Indian workers have in successfully finding and retaining unsubsidized employment.

In addition to the problems already described, other aspects of the draft bill would also seriously damage Indian and Native American programs. For instance:

- The draft bill contains no provisions for forward funding. Indian programs have suffered the most from the inability

of the Congress to appropriate employment and training funds in a timely manner and the inability of the Labor Department to expeditiously obligate such funds after they are appropriated. At the beginning of this Fical Year, most Indian grantees were forced to totally suspend or drastically curtail their operations because of the lack of funding. The General Accounting Office found that the lack of forward funding was a very serious problem in the Department's administration of Indian programs. The authorization for forward funding must be retained and must be implemented.

* Section 203(b) of the draft bill implies that Indian recipients must conduct the audits of their own programs. This is contrary to past DOL practice, in which the Department retains CPA firms, using non-program funds, to conduct audits of Indian programs. Few, if any, Indian recipients receive enough administrative funds under their DOL grants to pay for such audits. The current practice of DOL-contracted audits should be contained for all Indian grantees who prefer such an arrangement.

* The authorization levels in the draft bill represent another substantial reduction in employment and training funds. The funding cuts that have occurred during the last year have devastated many Indian communities. These cuts were imposed without warning, without any thought of their consequences and without any alternative approaches being offered to meet the needs of Indian workers. The Labor Department itself has not even examined the effects of these cuts. Any further reductions in employment program support seems to use to represent the abrogation of the federal trust responsibility to Indian people which even the draft bill itself proposes to maintain.

Once again we urge the Labor Department to replace all the Indian provisions in the draft bill with the suggested language attached to this letter. This language would preserve the stability, continuity, nation-wide character and flexibility of the Indian and Native American programs which have done so much to improve the economic well-being of Indian and Native American workers and communities over the last ten years.

Sincerely

Lonnie Racehorse
Coordinator
Legislative Task Force

Attachments

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SHRIVER & JACOBSON
[illegible]
WRITER'S DIRECT NUMBER IS
202-342-3589

February 25, 1982

OUR REFERENCE
9047-061

The Honorable William S. Cohen
Chairman
Select Committee on Indian Affairs
The United States Senate
Washington, D.C. 20510

Attention: Betty Jo Hunt, Esquire

Dear Senator Cohen:

I understand from your staff that I am scheduled to testify at the Select Committee's oversight hearing on the F.Y. 1983 BIA and IHS budget request next Monday, March 1st. As I have to be out of town on Monday, I am transmitting herewith copies of my testimony before the Senate Appropriations Subcommittee on behalf of the Metlakatla Indian Community and request that it be included in the record of the oversight hearing and that the matters covered therein be reviewed by your Committee with the Bureau of Indian Affairs and the Indian Health Service.

In addition, I request that the enclosed letter to Senator McClure on behalf of our client, the Oglala Sioux Tribal Public Safety Commission, also be included in the record. The matter of the detention of mentally ill Indians without appropriate care and treatment in tribal jails is, of course, one of concern to the Select Committee, as well as to the Appropriations Committee. I would be glad to discuss this question further with the Committee staff at its convenience.

Sincerely,

S. Bobo Dean

Encl.

METLAKATLA INDIAN COMMUNITY

Statement of S. Bobo Dean, Esquire, at Hearings of the Senate Appropriations Subcommittee on Interior and Related Agencies on the Bureau of Indian Affairs and the Indian Health Service Budget Requests for Fiscal Year 1983

February 25, 1982

My name is S. Bobo Dean. I am an attorney with Fried, Frank, Harris, Shriver and Kampelman and have been authorized to submit the following statement on the proposed Bureau of Indian Affairs and Indian Health Service budgets for F.Y. 1983 by our client, the Metlakatla Indian Community.

First, the Community notes that the proposed Bureau of Indian Affairs funding level has been reduced by $16,000,000 to reflect the reorganization of the Bureau's administrative structure. The Community is pleased that the reorganization provides that services to the Annette Islands Indian Reservation will be provided by the Portland Regional Center, rather than through the Alaska Native Field Office. This action is in response to the request of the Metlakatla Community Council and is consistent with the Community's status as the only statutory Indian reservation remaining in Alaska and with its exclusion by the Congress from participation in the benefits provided by the Alaska Native Claims Settlement Act.

It is the judgment of the Metlakatla Council that services in such areas as law enforcement, forestry, and fisheries can be more efficiently provided by the Portland Office, which services many other Indian reservations, than by an Alaska office concerned primarily with the implementation of the Alaska Native Claims Settlement Act in non-reservation areas.

However, the Community recommends that some of the savings effected by the reorganization of the Bureau should be used to strengthen Bureau services at the reservation level. For example, in the area of natural resource development, the proposed BIA budget includes for the operation of the Tamgas Creek Fish Hatchery only $200,000 although the Bureau knows full well that effective hatchery operations require $300,000.

The Tamgas Creek Fish Hatchery is federally-owned and is operated by the Community under contract with the Bureau. To the extent that costs exceed the funds provided by the Bureau for the operation of this federal hatchery, the success of the hatchery program will be jeopardized. As recently concluded scientific studies have demonstrated, the hatchery operation has benefitted the non-Indian fishery in Southeast Alaska, as well as Metlakatla fishermen.

In the area of social services the Bureau has entirely eliminated the general assistance program at Metlakatla which was operated by the Community under contract pursuant to Public Law 93-638. The termination of this program on the reservation of the Metlakatla Indians simply because

it is being phased out in non-reservation Alaska communities is inconsistent with Congress' exclusion of Metlakatla from the Alaska Native Claims Settlement. The Community's understanding of the federal policy of Indian self-determination as proposed by the President in 1980 was that tribal administration of Bureau programs would not lead to the elimination of federal financial support. In social services it has meant just that.

We ask that your Subcommittee require the Bureau to continue the general assistance program on the Annette Island Indian Reservation. Now that the Community's rate of unemployment has reached 58 percent due to the depression in the timber industry and the curtailment of the programs under Comprehensive Employment and Training, the need for general assistance for families with young children is even more acute than in the past. In fact, the applications for such assistance have doubled with the past year. As the Metlakatla social services director, Elinor Booth puts it: "It is impossible to counsel some one on an empty stomach; basic necessities must come first."

The Community also provides law enforcement services on the Reservation under contract with the Bureau of Indian Affairs. Its current $185,000 funding level covers only three-fourths of the cost of reservation law enforcement activities. While the Bureau has repeatedly stated that it recognizes the need for a substantial increase in funds for law and order on Indian reservations, the F.Y. 1983 request will provide only a modest five percent cost of living increase and some offset for the elimination of CETA funds. Only $40,000 nationwide is requested for "new jurisdiction or projects." We understand that the Bureau can fully justify a major increase in the level of funding due to an increase in law enforcement needs related to alcohol and drug abuse and other illegal on-reservation non-Indian activity on many reservations throughout the country. I am authorized by the Miccosukee Tribe of Indians of Florida to include its support of additional law enforcement funding for the Bureau in this statement.

We note that the Bureau proposes an increase of $1,485,000 in its forestry program. The Community has already contracted the Bureau's very small forestry activity on the Reservation. The management of the Community's timber resources is vital to the tribal economy, and the Bureau has a special responsibility in the development of trust resources. Despite the Community's continuing effort to obtain a more reasonable degree of support from the Bureau in forestry activities, the budget was cut from $31,500 in F.Y. 1981 to $29,500 in F.Y. 1982.

In addition, we understand that the Interior Department is threatening to revoke the five-year management plan under which the funds derived from the 10 percent timber administration fee are being used to supplement the forestry program on the Reservation. If this action is taken, the orderly management of the Community's timber resources which is now under way will be completely disrupted. We have requested, on behalf of the Community, that the Department consult with us prior to taking an

official position on this matter, and our request has been refused. We ask that your Subcommittee review this matter with the Secretary of the Interior and urge that any proposed change in the handling of the timber fee funds should be carefully considered as to its impact on the orderly development of tribal resources and the Federal Government's trust responsibilities.

The Community strongly supports the Administration's request for an increase in the BIA scholarship program, but the increase is not nearly enough to meet the need. The existing level of scholarship funds administered by the Community under a 638 contract is not sufficient to provide adequately for Metlakatla youngsters who are, or should be, attending college. The Bureau reports a need for twice the proposed level of scholarship funds, partly to provide assistance to the 34,000 Indian students who need it and partly to offset, for those 17,000 Indian students now being assisted, the impact of inflation and the reduction in assistance from the Department of Education.

Under contract with the Indian Health Service Metlakatla also administers a community health program, including emergency medical assistance, health education and related activites. The budget reductions imposed by the Indian Health Service in F.Y. 1981 have already cut the level of funding for this program from $80,000 to $52,000. The proposed elimination of the Community Health Representative program in F.Y. 1982 will abolish IHS funding for health education activities on the Reservation.

By the way, we have requested a written explanation from the Indian Health Service relating the cuts in Metlakatla's 638 contract program this year to the Congressionally approved 1982 funding level of the Indian Health Service. See attached IHS Memorandum, dated January 21, 1982. While IHS has promised to provide such an explanation, we have not received it. Indeed, IHS has informed the Community that in F.Y. 1982 it may be necessary for Metlakatla to contribute funds from its 638 contract health program to sustain the operation of the IHS-operated Reservation clinic.

Our review of the IHS budget request for hospitals and clinics suggests that -- once adjustments are made for such earmarked funds as new facilities and equity health care -- the apparent increase in the funding level for F.Y. 1983 will translate, for on-going hospital and clinic programs into a real decrease -- just as has been the case in F.Y. 1982. For tribes which are dependent, as Metlakatla is, on CHR funds, of course, the complete elimination of this program will leave skeletal tribal health activity.

I am authorized to state that the Miccosukee Tribe of Indians of Florida, the Bristol Bay Area Health Corporation, the Norton Sound Health Corporation, and the Mississippi Band of Choctaw Indians join in the concern which I have expressed at the proposed elimination of the CHR program and, as well, at the decreased funding levels which IHS has allotted for

hospitals and clinic and similar health programs in F.Y. 1982. On behalf of these tribal organizations, all of which are providing health services for their people under IHS contracts, we respectfully request that your Subcommittee determine, in consultation with IHS, why the F.Y. 1982 budget increases approved by the Congress have translated into budget decreases and whether the proposed F.Y. 1983 budget actually provides for an increase or a decrease in such areas as hospitals and clinics, dental services, mental health, alcoholism and contract care.

When tribal organizations have elected to utilize the opportunities to administer BIA and IHS services to their members, they are guaranteed not less than the Secretarial funding level -- what the Government would have had to operate the program -- by section 106 of Public Law 93-638. That level, however, is established by the Congress. Only the Congress can determine whether tribal administration of health services will, or will not, lead to a deterioration or elimination of federal financial support for these programs. The Indian tribes and tribal organizations for which I am speaking, as well as other tribes across the United States, have relied on the representations of the President of the United States and the Congress that such support will be maintained so that Indian self-determination does not translate into the termination of federal services. I request that your Subcommittee review

(1) the elimination of general assistance at Metlakatla,

(2) the proposed elimination of the CHR program, and

(3) the general levels of funding in other BIA and IHS programs noted above in the perspective of these representations.

Thank you.

Attachment

ELECTRONIC MAIL

AGENCY-DHHS/Indian Health Service

Date Prepared: 01/21/82

ACCOUNTING CLASSIFICATION
7520390

Number of Pages: 3

NAME: Jim Dunnick

Phone No.: 443-1118

TO: All Area/Program Office Directors

SUBJECT: FY 1982 Obligational Authority Thru March 31, 1982

As you are aware, you have been issued obligational authority for this year through January 31, 1982 at a level that represents a 10% reduction of your fiscal year 1981 recurring base levels. Also, for your information, the appropriation has been signed; however, the Act has not been printed and is therefore unavailable for review.

Based on previous budget information provided to you, you were informed that some program reductions would have to be made this year. In view of this, Headquarters is currently identifying some specific items that can be reduced which would result in a smaller reduction that would have to be absorbed by the Area/Program.

Since IHS has not received an approved apportionment, and based on information currently available, IHS has developed a basis for issuing obligational authority for period ending 3/31/82. Attached are percentages of reductions from the FY 1981 recurring base by sub-activity for which the obligational authority will be based on. Therefore, you should take your FY 1981 recurring base, reduce by percentage listed, and divide in half (Table attached). Obligational authority will then be issued upon receipt of this table by Headquarters, Financial Management Branch. Pay Act requirements will be absorbed within this authority.

For Urban Programs, you are to seperately request obligational authority by specific Urban project and for only the specified time period (thru 3/31/82). The amount requested must reflect a reduction of 8.3% of the FY 1981 level of funding. In addition, as a further clarification to our memorandum dated January 11, 1982 concerning the availability of funds for FY 1982, no Urban projects can be eliminated without the approval of the Office of the Director, Indian Health Service.

If you have any specific questions, contact Jim Dunnick or Howard Roach on FTS 443-1118.

/s/

Joseph N. Exendine, Dr. P.H.
Acting Director
Indian Health Service

95-922 O - 82 - 9

ATTACHMENT

(Area/Program Office) (Date)

Computation of Obligational Authority

	FY 1981 Recurring Base	Percent of Reduction	Amount of Reduction	Revised 1981 Recurring Base	Obligational Authority Requested A/
Clinical Services:					
Hospital and Clinics.....		5%			
Dental.....		4%			
Mental Health.....		4%			
Alcoholism.....		4%			
M & R.....		4%			
Contract Care.....		4%			
Subtotal.....					
Preventive Health:					
Sanitation.....		10%			
PHN.....		4%			
HE.....		4%			
CHR.....		21%			
Subtotal.....					
Program Management.....		8%			
TOTAL.....					

A/ Reflects 1/2 of Revised FY 1981 Recurring Base.

123

126

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WRITER'S DIRECT NUMBER IS
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OUR REFERENCE
9215-018

February 25, 1982

The Honorable James A. McClure
Chairman
Subcommittee on Interior
Committee on Appropriations
United States Senate
Washington, D.C. 20510

Dear Senator McClure:

Re: Oglala Sioux Tribal Public Safety Commission - Incarceration of Mental Health Patients

We have been requested by our client, the Oglala Sioux Tribal Public Safety Commission, to bring to your attention an extremely serious problem on the Pine Ridge Reservation. We understand from the Bureau of Indian Affairs that similar conditions exist on many other reservations throughout the United States. The problem raises significant issues not only for the administration of law enforcement on Indian reservations but in the area of fundamental human rights as well.

Essentially, the problem is the routine incarceration of Indians with severe mental health problems in tribal jails without the provision of adequate treatment. During the month of January 1982 six such individuals were held for periods from one to 26 days (for a total of 61 days) in detention facilities on the Pine Ridge Reservation operated by our client, the Oglala Sioux Tribal Public Safety Commission, under a contract with the Bureau of Indian Affairs, pursuant to Public Law 93-638. A number of these individuals had previously been committed to mental institutions but were subsequently released and returned to the Reservation community. The individuals then engaged in behavior leading to tribal court orders which require the Public Safety Commission to hold them. A number of these cases have involved violent behavior resulting in injury to tribal officers.

Representatives of the Commission met yesterday in Washington, D.C. with representatives of the Bureau of Indian Affairs, the Federal Bureau of Prisons, the Federal Bureau of Investigation, the Criminal Division of the U.S. Department of Justice, Indian Health Service and the Office of General Counsel, Health and Human Services Administration, to explore solutions to this problem.

While all of the agencies involved expressed their concern and both the Justice Department and the Bureau of Indian Affairs confirmed that similar conditions exist on many other reservations, no solutions developed from the meeting.

Essentially, the problem appears to be that neither the Indian Health Service nor the Bureau of Indian Affairs is adequately funded to provide for the custodial care needed for some of these individuals in the reservation community, although both agencies recognize that the support of such care may fall within their respective responsibilities. Our client's contract with the Bureau of Indian Affairs does not provide financial support for the custody, care and treatment of such individuals.

We are writing to you on the instructions of our client to ask that you review this matter with the Bureau of Indian Affairs and the Indian Health Service and that you attempt to address the needs of these individuals for appropriate treatment and care in your consideration of the Administration's budget request for F.Y. 1983.

I am enclosing herewith a Needs Assessment prepared in August 1981 which provides additional background information to this problem as it relates to the Pine Ridge Reservation. I understand that the Bureau of Indian Affairs Division of Law Enforcement Services can provide you with additional information on the extent of this problem on other reservations.

I request that this letter be included in the record of the hearing on the Bureau of Indian Affairs and the Indian Health Service's F.Y. 1983 budget request held by your Subcommittee on February 24.

Sincerely,

S. Bobo Dean

Encl.

U.S. Department of Justice

Federal Prison System

Washington, D.C. 20534

Jan 22 8 48 AM '82

DIVISION OF LAW ENFORCEMENT SERVICES

January 19, 1982

Eugene F. Suarez, Sr.
Chief, Division of Law
Enforcement Services
Bureau of Indian Affairs
U.S. Department of the Interior
Washington, D.C. 20245

Dear Mr. Suarez:

This letter is in response to your inquiry of November 24, 1981 to Mr. Carlson. You seek information regarding the possibility of contracting with the Bureau of Prisons for the detention in our facilities of offenders sentenced by tribal courts to serve periods in custody in excess of 180 days. Reservation detention facilities are described as inadequate for the detention of these longer term offenders.

It is our opinion that the Bureau of Prisons does not have the necessary authority to contract with Indian tribes or the Bureau of Indian Affairs. The Bureau of Prisons' sole authority to contract for the detention of offenders is found at 18 U.S.C. §5003. The section authorizes the Bureau of Prisons to "... contract with the proper officials of a State or Territory ..." 18 U.S.C. §5003(a). Specifically, "state" is defined at §5003(d) as "... any State, Territory, or possession of the United States, and the Canal Zone." It is our understanding that Indian tribes, in their status as semi-dependent sovereign nations, do not fall into this definition of state or territory. Similarly, we have authority to take as federal prisoners only those convicted of offenses against the United States. 18 U.S.C. §4042. It is our understanding that Congress has recognized tribal jurisdiction in these cases we are talking about, and they are not prosecuted by the United States for crimes against the United States.

Therefore, it appears that an amendment to 18 U.S.C. §5003(d) would be required in order for the Bureau of Prisons to contract for the detention of offenders sentenced by tribal courts. The Bureau of Prisons would have no objection to such an amendment. The Congress is currently considering a revision of the Criminal Code, including 18 U.S.C. §5003. It might be appropriate to seek such an amendment as part of this package. You may be aware of additional options, which we would certainly be willing to consider. We would be happy to arrange a meeting to discuss this matter, as you suggest. Please contact Doris Page in my office (724-3062) should you wish additional information or a meeting.

Sincerely,

Clair A. Cripe
General Counsel

Law Enforcement Services
Code 430

November 24 1981

Norman Carlson Director
Federal Bureau of Prisons
U S Department of Justice
10th and Constitution Avenue NW
Washington D C 20530

Dear Mr. Carlson

The Bureau of Indian Affairs operates 61 detention facilities in concert with Indian tribes on reservations where Federal/tribal jurisdiction exists. The facilities are designed to detain short term offenders and lack the resources to detain long term offenders. In fact, the 1968 Indian Civil Rights Act, prohibits sentences of more than 180 days in custody. Reservation courts have found it necessary to detain for more than the prescribed 180 days consequently, offenders are sentenced to consecutive terms if multiple offenses occur.

We wish to explore the possibility of the Bureau of Indian Affairs, or individual Indian tribes, contracting with the Bureau of Prisons to detain individuals who are sentenced to serve long terms instead of detaining them in local facilities

If the Bureau of Prisons can contract for long term offenders sentenced by reservation courts please advise as to the procedures involved for the Bureau of Indian Affairs or the individual tribes to avail themselves of this service We understand that we would reimburse the Bureau of Prisons for costs involved. If the Bureau of Prisons is not authorized to detain Bureau or tribal prisoners, would legislation be required to permit incarceration in Bureau of Prison facilities and, would the Bureau of Prisons support this type of legislation?

Since these issues must be resolved, we would appreciate an opportunity to meet and discuss these issues with the appropriate members of your staff.

Thank you for your assistance and cooperation in this matter.

Sincerely,

Eugene F Suarez Sr
Chief Division of Law
Enforcement Services

cc Bureau Chron Mailroom 400
EFSuarez:pla 11/20/81 D NOV 1 81 B-6 LES

Received 10-26-81

Frances H. Monthiaux
"Personal Copy"

PINE RIDGE NATIVE AMERICAN COMMUNITY SUPPORT PROGRAM NEEDS ASSESSMENT

PINE RIDGE INDIAN HEALTH SERVICE
MENTAL HEALTH/SOCIAL SERVICE UNIT

AUGUST 1981

I. Introduction

Indian Health Service staff from the Pine Ridge Mental Health/Social Services Unit identified potential Community Support Program (CSP) clients and conducted a needs assessment in preparation for CSP implementation on the reservation. The population was identified from active and inactive Mental Health/Social Services cases and from key informants. The South Dakota Definition of the Target Population was used to define the CSP target population (South Dakota CSP target population definition Attachment #1). The needs assessment was carried out during the month of August utilizing the CSP client identification instrument (Attachment #2). The major objectives of the study were to:

1) Determine the approximate size of the target population residing on the Pine Ridge Reservation and identify potential CSP clients;
2) Identify existing on-reservation service providers and target population utilization patterns; and
3) Identify gaps in existing services and major service needs within the context of the ten essential Community Support Program components.

The needs assessment study reflects a basic assumption that those clients identified through active and inactive service files and through key informants are representative of the on-reservation target population. The identified population does not represent the entire on-reservation chronically mentally ill population.

II. Data Procedure

Eight (8) workers from the Indian Health Service Mental Health Center were asked to provide a list of all those who might use services for the chronically mentally ill. The South Dakota Definition of the Target Population was used. These workers submitted lists representating all districts of the reservation and they were then reviewed for duplication. The list at this point contained 99 cases. These cases were listed on a needs assessment instrument and redistributed to the workers who were most familiar with the case. Forms were completed from personal knowledge, Mental Health case records, Public Health Service medical records and contact with district community health representatives or primary provider agencies. Nine (9) cases were eliminated. Two (2) cases were age 17 and did not meet age criteria. Information on seven (7) others was too sparse to include. The final group contained 90 cases.

III. Findings

N = 90

A. Demographic information

Age

Male	18-29	21	Female	18-29	17
	30-49	18		30-49	16
	50 and Over	9		50 and Over	9
		48			42

Marital Status

Married	12
Single	76
Unknown	2

Employed

Yes	4
No	86

Education in years

Less than 8	32
Greater than 8, Less than 10	7
10-12	39
Greater than 12	1
Unknown	11

Community of Residence

1) Procupine, Manderson, Rocky Ford, Wounded Knee, Sharps - 14
2) Kyle, Potato Creek - 20
3) Martin, Allen, Batesland - 11
4) Pine Ridge, Oglala, Slim Buttes - 38
5) Wamblee - 6
6) Other - 1

Family Size

1 (alone)	12
2	14
Over 2	62
Unknown	2

Diagnosis *

Major psyciatric illness	51
OBS	15
Physical handicapp, including seizure disorders	22
Mental retardation	10
Social isolation	10
Alcoholism	10
Other	1
None	9

Currently Receiving Medication for Mental Illness

Yes	45
No	45

8. Human Services Center Admission Information

Number of Human Services Center Admissions

0	54
1	11
2	7
3	6
4	4
5	3
6	2
10 and Over	3

Most Recent Human Services Center Admission

Less than 12 months	13
2-24 months	16
Over 24 months	6
No Human Services Center Admissions	54
Unknown	1

* represents both primary and secondary diagnosis

C. Provider Information

Primary Provider

Human Services Center **	6
Department of Social Services	1
Public Health Service Hospital	6
Public Health Nurse	1
Veterans Administration	1
Mental Health/Social Services Unit	52
Bureau of Indian Affairs	1
Community Health Representative	6
Other	3

Additional provider information will be summarized in the following section.

D. Service Utilization and Providers

The following section presents a summary of service utilization and provider information. This section is descriptive and will attempt to illustrate what services are provided to the chronically mentally ill population and what agencies are providing the service. Service utilization information was obtained in areas that relate directly the ten essential CSP components (see Definition and Guidelines for Community Support Systems - Attachment #3). The information will be presented under major service area headings.

Housing

Fifty-two (52) individuals identified live in a house or apartment provided by self, family or friend. The majority of these individuals live with family or friends. Only twelve (12) identified individuals lived alone, fourteen (14) are living in a two (2) member household, while sixty-two (62) individuals live in households with three (3) or more individuals.

Other on-reservation housing providers include Housing and Urban Development, Department of Social Services, Veterans Administration and nursing homes. These providers serve a total of eight (8) individuals.

** represents client presently in the Human Services Center expected to be discharged in the near future

The remainder of the identified population's living situation was either unknown or they are receiving off-reservation services in the Human Services Center, transitional facilities, etc.

Education and Employment Services

On-reservation service providers for basic education, vocational evaluation, vocational training, and vocational placement include the local community college, secondary schools and vocational rehabilitation. Nine individuals are receiving basic education services and twenty-three (23) individuals are receiving or have received in the recent past vocational services. Three (3) individuals are reported as having received vocational evaluations whereas the remaining twenty (20) individuals are receiving either job seeking skills training or are being subsidized in employment. Three (3) individuals have quasi-sheltered employment situations provided by employers.

Support in Basic Living Needs

A large number of the identified population is receiving support in basic living including clothing, food, and income maintenance from family and friends. Twenty-five (25) are provided clothing, twenty-two (22) receive meals and nine (9) receive income maintenance from family and friends.

Fifty (50) individuals utilize food stamps, however, it is interesting to note that fourteen (14) of these individuals are reported as receiving benefits indirectly through family or friends.

Twenty (20) individuals receive income maintenance support from major entitlement programs including the Bureau of Indian Affairs, Supplemental Security Income, and the Veterans Administration. Fifteen (15) of these twenty (20) individuals receive Supplemental Security Income.

Providers reported under the major category of Support in Basic Living in the order of numbers served include the following: 1) family and friends, 2) Department of Social Services, 3) Supplemental Security Income, 4) Veterans Administration, 5) Bureau of Indian Affairs, and 7) meals to elderly.

Recreation and Socialization Services

Recreation and Socialization Services included structured daytime, evening and weekend activities. No providers for these services exist on the reservation.

Community Living Skills Development

Community living skills development included programs and services to help clients increase basic skills in household management, personal hygiene, money management and communication skills. The primary on-reservation service provider is Mental Health/Social Services. Again, a significant number of individuals are reported as receiving assistance from family and friends.

The service providers in order of significance in the delivery of these services are as follows: family friends, Mental Health/Social Services, Public Health Nursing, Department of Social Services, community health representative and Veterans Administration.

General Medical Care

Medical care, including dental and eye care, is provided primarily by the Public Health Service Hospital in Pine Ridge. Seventy-one (71) individuals are reported as having medical services provided by Public Health Service. Other service providers include the Veterans Administration, Public Health Nursing, and community hospitals. Dental and eye care are essentially provided by the same providers reported above with the exception that one individual is reported as receiving eye care from a private physician.

Mental Helath Services

Mental Health Services utilization information was gathered on mental health evaluations, therapy, partial care, medication management, individual followup, and crisis assistance. The Mental Health/Social Services Unit at Pine Ridge is the primary service provider. The Veterans Administration provides a very minor role and of course the

Human Services Center is providing mental health service to the individuals identified in the study receiving services at that facility. The following number of individuals identified by category are currently receiving mental health services.

Mental Health Evaluation	42
Therapy	39
Partial Care Services	0
Medication Management	41
Individual Followup	46
Crisis Assistance	54

Transportation

Utilization of transportation data was collected in the following categories: 1) personal car, 2) volunteer driver, 3) bus system, and 4) transportation by agency. Twenty-four (24) individuals have access to personal cars, five (5) individuals are routinely provided transportation by a volunteer driver, miscellaneous agencies provide transportation routinely to seven (7) individuals. There is no organized transportation system on the reservation.

Legal Needs

These services are provided primarily by South Dakota Legal Services. Mental Health/Social Services is reported as currently assisting two (2) individuals in appeal procedures for entitlements. Eighteen (18) individuals are being assisted in either appeal for entitlement, small claims or consumer protection procedures by Legal Services.

E. Identified Need

Expressed in terms of the number of individuals perceived as being in need, but not receiving services within each service category.

Alternative Housing

House or Apartment	11
Subsidized Rental Housing	14
Subsidized Rental Housing with Onsite Support	18
Adult Foster Home	14
Nursing Home	6
Transitional Living Facility	7

Education and Employment Services

Basic Education	30
Vocational Evaluation	40
Vocational Training	41
Job Seeking Skills Training	28
Sheltered Employment	37

Support in Basic Living Needs

Clothing	26
Food Stamps/Subsidized Meals	19
Income Maintenance Support	21

Recreation and Socialization Services

Structured Daytime Activities	73
Structured Evening Activities	69
Structured Weekend Activities	72

Community Living Skills Development Services

Basic Household Management	33
Personal Hygiene	36
Money Management	42
Communication	27

Medical Care

General Medical Care	12
Dental Care	7
Eye Care	9
Homemaker Services	10
Mental Health Evaluation	13
Therapy	15
Medication Management	8
Individual Followup	11
Crisis Assistance	9

Transportation

Volunteer Driver	6
Bus System	24
Transportation Provided by Agency	23

Legal Needs

Assistance in Appeal Procedures	24
Small Claims	1
Consumer Protection	12

iii. Implications for CSP Implementation on the Pine Ridge Reservation

Identification of the Target Population

The ninety (90) individuals identified in this needs assessment represent a core group for whom services can be planned. However, the chronically mentally ill population identified in this initial study can only be considered a sample of the entire population. For the purposes of CSP implementation, mechanisms need to be developed for ongoing identification of the target populations and for ongoing tracking of the population and population needs. Finally, mechanisms for liaison services between the Human Services Center and the on-reservation service provider would need to be improved to facilitate ongoing identification of the target population.

Psychosocial Rehabilitation Services

Alternative housing is a major need reflected in the data. It would seem as if housing is on a make do basis with little or no specialized supportive living environments available. Families and friends do seem to play a major role in providing housing, however, the indication of the need for alternative housing (74% of the population is reported as needing alternative housing arrangements) would raise questions concerning the adequacy of many of the family living arrangements. Housing with support, including adult foster care situations, are most often sited as a need. Implementation efforts would need to focus on this problem, however, major obstacles are foreseen. Increased development of adult foster care providers and efforts to increase support to families would seem to be realistic goals.

Partial care services (daycare, etc.) are not available on the reservation. Structured daytime and evening recreational and socialization activities are nonexistant. Other services generally provided within the framework of partial care, i.e. community living skill development, etc. are provided by a number of service providers on an individual basis.

[illegible] Social Services staff do provide the bulk of these services to the identified population. The development of partial care services would seem to be essential ingredients in developing CSP services on the reservation. Programming would need to be directed towards a predominantly young, single and mixed (male, female) population. The population would seem to be large enough to support such a program and from the perspective of present overall reservation services and service utilization partial care may, in fact, represent a more cost efficient service modality not to mention offering more specific and appropriate programming for the chronically mentally ill population.

Provide Twenty-four Hour Quick Response Crisis Assistance Including the Availability of a Sheltered Crisis Assistance Environment

Mental Health/Social Service staff provide crisis intervention services. Fifty-two (52) of the ninety (90) identified clients have received crisis assistance services provided by Mental Health/Social Services staff in the month preceding the needs assessment. It seems evident that a significant proportion of staff time is devoted to crisis assistance. There are no specific mechanisms worked out to provide a short-term sheltered environment, however, access to the Public Health Service Hospital and a women's "Crisis Center" is available under certain circumstances. In terms of CSP implementation, a gradual reduction in the need for crisis assistance might be expected as CMI specific services were more fully developed. However, an all out effort would need to be made to develop cooperative agreements and service arrangements to assist members of the target population to work through periodic crises within the community where possible. Ongoing psychiatric coverage and monitoring is absolutely essential along with an adequate continuum of care developed within the community as implied in the basic premise of a Community Support Program.

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Support in Basic Living Needs Including Transportation and Legal Needs

The identified population is receiving a wide array of support in basic living needs. Additionally, support in obtaining these basic entitlements is in evidence. The data collected concerning support in basic living needs does nonetheless imply an underlying question. Simply, why are a number of the identified population not receiving entitlements for basic support? In terms of CSP implementation the identified target population needs to be systematically reviewed for eligibility for basic entitlements and where appropriate application for entitlements vigorously pursued and advocated. Initial CSP implementation efforts would need to focus on ensuring accessebility to entitlements by all of the identified chronically mentally ill population. A major goal would be to impact the quality of life by assisting members of the population in securing assistance in basic living. This would presume an advocacy role on the part of the service provider and necessitate close links with legal service providers.

Transportation to services represents a major obstacle in the present on-reservation service delivery system. In reviewing the data concerning the geographic distribution of the identified population it is obvious that transportation problems and, as a result, service accessability will present serious obstacles to the development of community support services. In specific terms of CSP implementation, however, the problems presented by the lack of available transportation need to be studied further.

Medical and Mental Health Care

Medical and mental health care are provided by Public Health Service/ Indian Health Service either through the Public Health Service Hospital (medical care) or through the Human Services Agency (Mental Health/Social Services Unit). By in large the data would suggest that the target

population does have access to both mental health and medical care. However, again one would have to specifically ask the question, why are the few individuals listed as needing either mental health or medical services not receiving the same?

Finally, continuing psychiatric coverage as instituted recently through the Pine Ridge Service Unit is an absolute necessity for developing an on-reservation Community Support Program.

V. Conclusion

Community Support Program implementation on the Pine Ridge Reservation if it is to be successful will need to encompass and involve a wide range of diverse groups including service providers, tribal government, local communities, concerned community members, and families and friends of the chronically mentally ill population. A significant number of potential CSP clients have been identified and major needs have been defined. The tasks outlined for CSP implementation (each one representing formidable problems) will need to be addressed in a cooperative and coordinated fashion. The need for community involvement and cooperative planning cannot be over-stressed in future CSP implementation. The data indicates that a large number of the chronically mentally ill population currently resides with family and friends. This family support and involvement seems to be a significant factor illustrated throughout the data. The involvement of family and provisions for appropriate backup support to families of the mentally disabled cannot be overlooked.

Finally, it is evident that the Human Services Agency (Mental Health Social Services Unit) has taken the primary responsibility for the identified population. Mental Health/Social Services staff are primary providers for the majority of the chronically mentally ill population living on the reservation. With this fact in mind, initial implementation efforts need to be closely coordinated and planned with Public Health Service/Indian Health Service staff. Initial efforts would need to focus on refining the identification process, developing community support, encouraging community participation and developing needed resources.

SOUTH DAKOTA DEFINITION OF TARGET POPULATION

"The Community Support Program will focus solely on improving opportunities and services for one particular client group, severely mentally disabled adults, ages 18 and up, whose primary disability is emotional, behavioral, or psychosocial, rather than developmental (mental retardation) or organic, and for whom (long-term) 24-hour nursing care is inappropriate.

Typically, these individuals will display some of the following diagnostic symptoms: thought disorder, hallucinations, delusions, disorientation, inappropriate affect, and/or severely disturbed interpersonal relationships. More specifically, the (client) must fulfill portions of both criteria listed as follows:

(1) Severe Mental Disability

The individual's severe and persistent emotional, behavioral, or psychosocial disorder has resulted in at least one of the following:

a. one or more hospitalizations or alternative home stays in the last six months,
b. a single episode of hospitalization since 1975 of at least six months duration,
c. maintained with medication for at least one year,
d. participation in a day-care program for at least six months, and
e. frequent unscheduled crisis contacts with the center for more than two months.

(2) Impaired Role Functioning

The individual's severe and persistent emotional, behavioral, or psychosocial disorder has resulted in at least three of the following:

a. is employed with markedly limited job skills and/or a poor work history,
b. is employed in a sheltered setting,
c. is unable to perform basic household management tasks without assistance,
d. exhibits inappropriate social behavior which results in concern by the community and/or requests for intervention by mental health or judicial/legal systems,
e. is unable to procure appropriate public support services without assistance,
f. requires public financial assistance for out-of-hospital maintenance,
g. lacks social support systems in the natural environment (no close friends, lives alone, isolative),
h. is in constant or cyclical turmoil with family or social system, and
i. is a noncompliant recipient of mental health services when clear need for such is evident.

COMMUNITY SUPPORT PROGRAM
CLIENT IDENTIFICATION INSTRUMENT

Name _____ Date _____

Address _____

Birthdate _____ Age _____ Sex _____

Race _____ Education in Years _____ Status (Marital) _____

Date of last M.S.C. Admission _____ Number of Adms. _____

Medication ____ Yes ____ No Date of last M.H.C. Contact _____

County of Residence _____ Length of Residency _____

Family Size (in client household) _____ Employed _____ Yes _____ No

Diagnosis _____

Primary Service Provider _____ Case Manager ____ Yes ____ No

Indicate by a checkmark service needs and utilization of services by clients. Provider information will be described by use of appropriate code. Please note that the Needs and Utilizes categories should be viewed independently of each other. In all cases that Utilizes is checked, a provider code should be filled in under Providers.

	Needs	Utilizes	Providers
HOUSING SERVICES			
House or Apartment	____	_____	_____
Subsidized Rental Housing	____	_____	_____
Subsidized Rental Housing with Support Provided Onsite	____	_____	_____
Adult Foster Home	____	_____	_____
Foster Home	____	_____	_____
Mental Health Human Services Center	____	_____	_____
Transitional Living Facility	____	_____	_____
VOCATIONAL AND EMPLOYMENT SERVICES			
Basic Education (including GED)	____	_____	_____
Vocational Evaluation	____	_____	_____
Vocational Training	____	_____	_____
Job Seeking Skills Training	____	_____	_____
Sheltered Employment	____	_____	_____
On-the-Job Training	____	_____	_____

	Needs	Utilizes	
SUPPORT IN BASIC LIVING NEEDS			
Clothing	____	_____	_____
Food Stamps	____	_____	_____
Meals from Providers	____	_____	_____
Income Maintenance Support	____	_____	_____
RECREATION AND SOCIALIZATION SERVICES			
Structured Daytime Activities	____	_____	_____
Structured Evening Activities	____	_____	_____
Structured Weekend Activities	____	_____	_____
COMMUNITY LIVING SKILLS DEVELOPMENT			
Basic Household Management	____	_____	_____
Personal Hygiene	____	_____	_____
Money Management	____	_____	_____
Communication	____	_____	_____
PHYSICAL AND MEDICAL NEEDS			
General Medical Care (routine)	____	_____	_____
Dental Care (routine)	____	_____	_____
Eye Care (routine)	____	_____	_____
Homemaker Services	____	_____	_____
MENTAL HEALTH			
Evaluation	____	_____	_____
Therapy	____	_____	_____
Partial Care	____	_____	_____
Medication Management	____	_____	_____
Individual Followup Care	____	_____	_____
Crisis Assistance	____	_____	_____
TRANSPORTATION			
Personal Car	____	_____	_____
Volunteer Driver	____	_____	_____
Bus System	____	_____	_____
Transportation Provided by Agency	____	_____	_____
LEGAL NEEDS			
Assistance in Appeal Procedures (to obtain benefits)	____	_____	_____
Small Claims Court	____	_____	_____
Consumer Protection	____	_____	_____

NOTE: Instructions in filling this out are on the back of this page.

COMMUNITY SUPPORT PROGRAM
CLIENT IDENTIFICATION INSTRUMENT

INSTRUCTIONS

[illegible] - Self explanatory
[illegible] - Date instrument filled out
[illegible]ndate - Self explanatory
[illegible] - Age at time instrument completed
[illegible] - Male/female
[illegible]ce - Native American, Black, Caucasian, other
[illegible]ucation - Total number of years completed (highschool graduate - 12, college graduate - 16, etc.
[illegible]rital Status - Married, never married, divorced, widowed, separated
[illegible]ate of Last M.H.C. Admission - Self explanatory
[illegible]umber of Admissions - Total number of admissions to M.H.C.
[illegible]dications - Lacking psychiatric medications
Date of Last M.H.C. Contact - Date of last recorded contact with M.H.C. staff
[illegible]unty of Residence - Legal residence
[illegible]gth of Residency - In years. 0 to 6 months = 0, 6 months to 1-1/2 [illegible]rs = 1 year, etc.
[illegible]ehold Size - Total number in client household, include nonrelated adults [illegible]ving as family
[illegible]oyment - Check yes if employed competitively, half-time or more
[illegible]nosis - Primary diagnosis - DSM III
[illegible]ary Service Provider - That provider which has the most contact with client in hours of direct service
[illegible]se Manager - Self explanatory

[illegible]eeds - Does the client have an immediate need for the specific service? [illegible]mediate need is defined as a need at the time the needs assessment is [illegible]mpleted or an immediately foreseeable need (one month from date of [illegible]mpletion) based on the case manager's or primary therapist's judgment.

[illegible]ilize - Does the client presently utilize the specific service or fit [illegible]e specific category at the time the assessment is completed? Unless [illegible]herwise specified, present utilization will be defined as utilization [illegible]ccurring within a timeframe of one month prior to the date of completion [illegible] the needs assessment to the date of completion.

[illegible]roviders - Provider codes should be filled in concerning each specific [illegible]rvice. Provider codes are as follows:

[illegible] - Self, family, friends
[illegible] - Private MD
[illegible] - Human Services Center
[illegible] - Department of Social Services
[illegible] - Secondary schools
[illegible] - College/universities
[illegible] - Private mental health professional
[illegible] - Public Health Services
[illegible] - Public health nurses
[illegible] - Rehabilitation
11 - Clergy
12 - Nursing homes
13 - Community hospital
14 - Veterans Administration
15 - Supplemental Security Income
16 - Social Security Disability
17 - Adjustment Training Center
18 - Mental Health Center
19 - Hospital And Other in-patient

d. Housing - Ascertains present living arrangement, immediate housing nee and indicates current provider of those services utilized.

e. Education and Employment Services - Ascertains present educational or employment services utilized, immediate educational or vocational trai ing needs, and indicates service provider for those services utilized.

f. Support in Basic Living - Ascertains the immediate basic needs in livi the present utilization of such services, and identifies service provi for those services utilized.

g. Recreation and Socialization - In each area identifies present utiliz immediate needs, and providers for those services utilized.

h. Community Living Skills Development - Identifies immediate skill develo [illegible] needs, present utilization, and service providers for those servic utilized.

i. Physical and Medical Needs - Identifies immediate needs, indicates util zation in past 6 months, and identifies service providers for those serv utilized.

j. Mental Health - Identifies immediate mental health needs, present utili tion, and service providers for those services utilized.

k. Transportation - Identifies immediate transportation needs, present uti tion, and providers for those services utilized.

l. Legal Service - Identifies immediate need for legal services, indicates utilization in past 6 months, and providers for those services utilized

21 BIA
22 CMR
23 Crisis Center
24 Original Recovery
25 Jackie for alcohol

NATIONAL URBAN INDIAN COUNCIL

1806 South Bellaire Suite 525 Denver, Colorado 80222 (303) 758-1589

February 26, 1982

The Honorable
Chairman, Sen
on Indian Affairs
Room 6313
Dirksen Senate
Washington, D.

Dear Senator

The Nati Indi respectfully submits
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To promote the social and economic self-sufficiency of American Indians and Alaska Natives

BEST COPY AVAILABLE

"....HAVING SERVED AS GOVERNOR OF THE STATE WHICH HAS SOME OF THE LARGEST URBAN INDIAN COMMUNITIES IN THE U.S., I AM AWARE OF THE UNIQUE NATURE OF THEIR SITUATION AND OF THE FACT THAT THEIR PROBLEMS HAVE BEEN LARGELY IGNORED IN THE PAST. THE SITUATION OF THE URBAN INDIANS, THE OFF-RESERVATION RURAL INDIAN COMMUNITIES, AND THE TRIBES NOT RECOGNIZED BY THE FEDERAL GOVERNMENT MUST BE LOOKED INTO WITH THE GOAL OF ESTABLISHING WAYS AND MEANS OF SECURING BETTER OPPORTUNITIES FOR THEM."

RONALD REAGAN
SEPTEMBER, 1980

DURING THE F.Y.'82 BUDGET PROCESS, THE PRECEEDING STATEMENT PROVIDED SOME SOLACE TO OFF-RESERVATION COMMUNITIES. IT GAVE US HOPE THAT, AS MR. REAGAN INDICATED, THE ADMINISTRATION HAD SOME UNDERSTANDING OF OUR CONCERNS AND WOULD SINCERELY ATTEMPT TO FIND REALISTIC SOLUTIONS TO OUR PROBLEMS. HOWEVER, A SIMPLE ANALYSIS OF THE F.Y. '83 BUDGET CLEARLY ILLUSTRATES THAT THIS ADMINISTRATION IS ATTEMPTING TO NULLIFY THE SACRED TRUST RESPONSIBLITY OF THE UNITED STATES GOVERNMENT FOR INDIAN PEOPLES VIA FINANCIAL ABROGATION.

AMERICAN INDIAN AND ALASKA NATIVE PEOPLE RESIDING IN OFF-RESERVATION RURAL AND URBAN AREAS HAVE SUFFERED GREATLY SINCE THE ON SET OF "NEW FEDERALISM". NOT ONLY HAVE SEVERE BUDGET REDUCTIONS PLACED UNDUE HARDSHIP ON THE PROGRAMS DESIGNED TO ASSIST THIS POPULATION, BUT THE FINANCIAL LIMITATION IMPOSED UPON RESERVATION BASED PROGRAMS (SUCH AS THE ELIMINATION OF CETA PUBLIC SERVICE EMPLOYMENT) HAS INITIATED YET ANOTHER WAVE OF URBAN INDIAN MIGRATION. SINCE THE ADMINISTRATION IS RELUCTANT TO COME TO TERMS WITH OFF-RESERVATION AMERICAN INDIAN AND ALASKA NATIVE PEOPLE, WE MUST, ONCE AGAIN, LOOK TO THE CONGRESS TO SAFEGUARD OUR SOCIAL AND ECONOMIC WELL BEING.

ADMINISTRATION FOR NATIVE AMERICANS - D.H.H.S.

ONE OF THE BEST DESIGNED PROGRAMS WHICH HAS HAD A SIGNIFICANT POSITIVE IMPACT UPON OFF-RESERVATION AMERICAN INDIAN AND ALASKA NATIVE COMMUNITIES IS THE DEPARTMENT OF HEALTH AND HUMAN SERVICES, ADMINISTRATION FOR NATIVE AMERICANS. LAST YEAR THIS CONGRESS, RECOGNIZING THE VALUE OF THE PROGRAM, REAUTHORIZED THE ANA LEGISLATION. THE ORIGINAL LEVEL REQUESTED FOR FUNDING ANA PROGRAMS IN 1982 WAS $33.8 MILLION. THIS FIGURE HAD REMAINED RELATIVELY UNCHANGED SINCE 1978 WHILE INFLATION CONSTANLY ERODED THE IMPACT OF THESE DOLLARS. HOWEVER, THE ADMINISTRATION SAW FIT TO REDUCE ANA'S BUDGET BY 18% LEAVING $28 MILLION. THIS INITIAL REDUCTION NOT ONLY DECIMATED ANA'S RESEARCH AND DEVELOPMENT (R & D) AND TRAINING AND TECHNICAL ASSISTANCE (T & TA) COMPONENTS, BUT AS A RESULT OF THE AGENCY'S INTERNAL BELT-TIGHTENING, HAS LEFT NUMEROUS TRIBAL AND OFF-RESERVATION COMMUNITIES WITHOUT ANA'S FLEXIBLE AND INNOVATIVE FINANCIAL ASSISTANCE.

THIS YEAR THE ADMINISTRATION HAS PROPOSED AN ADDITIONAL REDUCTION OF $4.718 MILLION, OR APPROXIMATELY 19%. ANA HAS CHOSE TO REALIZE THESE F.Y.'83 BUDGETARY CONSTRAINTS VIA ADDITIONAL CUTS IN R & D AND T & TA; HOWEVER, THE MAJORITY OF THE REDUCTION ($4.318 MILLION) WILL COME OUT OF ITS FINANCIAL ASSISTANCE ALLOCATION. ANA INTENDS TO REDUCE THE NUMBER OF GRANTEES IT FUNDS BY:

ELIMINATING 19 FEDERALLY RECOGNIZED TRIBAL GRANTEES

ELIMINATING 12 URBAN GRANTEES

ELIMINATING 5 NON-FEDERALLY RECOGNIZED TRIBAL GRANTEES

ELIMINATING 2 ALASKA NATIVE ENTITIES

ELIMINATING 2 RURAL GRANTEES

ELIMINATING 2 INTER-TRIBAL CONSORTIAS

ELIMINATING 1 OFF-RESERVATION CONSORTIA

ELIMINATING 1 SPECIAL PROGRAM

IF THIS CONGRESS IS COMMITTED TO PROMOTING SOCIAL AND ECONOMIC SELF-SUFFICIENCY FOR AMERICAN INDIAN AND ALASKA NATIVE PEOPLE, THEN IT CANNOT STAND IDLY BY WHILE THE INTEGRITY AND EFFECTIVENESS OF THE ONE FEDERAL PROGRAM THAT ATTEMPTS TO ACHIEVE THIS IS COMPROMISED. THE NATIONAL URBAN INDIAN COUNCIL AND ITS MEMBERSHIP IS VEHEMENTLY OPPOSED TO ANY ADDITIONAL CUTS IN ANA'S BUDGET, AND STRONGLY URGES THE SENATE SELECT COMMITTEE ON INDIAN AFFAIRS TO AGRESSIVELY ADVOCATE THE RESTORATION OF ANA'S BUDGET TO ITS 1982 RECOMMENDED LEVEL OF $33.8 MILLION.

OFFICE OF INDIAN AND NATIVE AMERICAN PROGRAMS - DOL

THE PROGRAMS SPONSORED BY THE U.S. DEPARTMENT OF LABOR'S (DOL) OFFICE OF INDIAN AND NATIVE AMERICAN PROGRAMS, (OINAP) HAVE GREATLY EASED THE DISPROPORTIONATELY HIGH RATES OF UNEMPLOYMENT (CURRENTLY APPROACHING 75%) AMONGST AMERICAN INDIAN AND ALASKA NATIVE PEOPLE ON AND OFF THE RESERVATION. THE ANTICIPATED SUPPORT FOR THE PROGRAMS OPERATED BY DOL ARE CURRENTLY SOMEWHAT HAZY AS A RESULT OF THE PENDING REAUTHORIZATION OF THE COMPREHENSIVE EMPLOYMENT AND TRAINING ACT (CETA). THIS LEGISLATION GOVERNS THE MEANS AND METHODS OF EMPLOYMENT AND TRAINING SERVICES FOR INDIAN PEOPLE AND IS VITAL TO THEIR ECONOMIES.

CURRENTLY THERE ARE THREE MEASURES WHICH HAVE BEEN INTRODUCED BY CONGRESS TO PROVIDE FOR THE EMPLOYMENT AND TRAINING NEEDS OF THIS COUNTRY. THE BETTER LEGISLATION OF THE THREE IS S.2036, THE "TRAINING FOR JOBS ACT", WHICH WAS INTRODUCED IN THE SENATE ON FEBRUARY 2, 1982. THIS BILL WOULD PROVIDE THE NECESSARY

RESOURCES AND LATITUDE TO DEAL WITH THE EMPLOYMENT AND TRAINING OF AMERICAN INDIANS AND ALASKA NATIVES. THE HOUSE VERSIONS, H.R. 5320, THE "COMMUNITY PARTNERSHIP FOR EMPLOYMENT AND TRAINING ACT" AND H.R. 5461, THE "PRODUCTIVITY AND HUMAN INVESTMENT ACT", LIKE THEIR SENATE COUNTERPART, REPRESENT GOOD LEGISLATION: HOWEVER, THEY WOULD NOT SUPPORT INDIAN EMPLOYMENT AND TRAINING PROGRAMS AT ADEQUATE LEVELS. CONSEQUENTLY, THEY WOULD BE LESS LIKELY TO RECEIVE THE SUPPORT OF NUIC AND ITS MEMBERSHIP.

THE ADMINISTRATION THROUGH DOL HAS ALSO DRAFTED A MEASURE WITH WHICH IT PROPOSES TO REPLACE CETA. THE BILL, ENTITLED THE "JOB TRAINING ACT OF 1982" CANNOT BE CONSIDERED A SERIOUS ATTEMPT AT DEALING WITH THE EMPLOYMENT AND TRAINING NEEDS OF THE NATION AS A WHOLE, NOR ITS AMERICAN INDIAN AND ALASKA NATIVE CITIZENS. IF PASSED, THIS MEASURE WOULD EXCLUDE OVER ONE HALF THE TOTAL AMERICAN INDIAN AND ALASKA NATIVE POPULATION. IT WOULD PROVIDE LIMITED SERVICES ONLY TO TRIBES LOCATED ON FEDERAL AND STATE RESERVATIONS, IGNORING THE NEEDS OF THE 50% + INDIANS RESIDING OFF THE RESERVATION. FURTHER, THIS MEASURE WOULD ONLY ALLOW FOR ON-THE-JOB-TRAINING (OJT) ACTIVITIES TO BE CONDUCTED BY RESERVATION BASED TRIBES. (A RATHER LUDICROUS PROPOSAL WHEN ONE CONSIDERS THE CURRENT STATE OF RESERVATION ECONOMIES). FINALLY, THE MEASURE IS FUNDED AT LEVELS WHICH ARE WOEFULLY INADEQUATE TO EFFECTIVELY DEAL WITH THE GROWING RANKS OF THE UNEMPLOYED. MILLIONS OF AMERICANS ARE UNEMPLOYED BECAUSE OF THE STATE OF THE ECONOMY. THE ADMINISTRATION OF THESE PROGRAMS TO THE GENERAL POPULATION MAY BE THE RESPONSIBILITY OF THE STATE AND LOCAL GOVERNMENTS, BUT SOUND POLICIES MUST BE INITIATED AT THE FEDERAL LEVEL. CONSEQUENTLY, THE NATIONAL URBAN INDIAN COUNCIL STRONGLY OPPOSES THE "JOB TRAINING ACT OF 1982", AND URGES THE MEMBERS OF THE SENATE SELECT COMMITTEE ON INDIAN AFFAIRS TO JOIN IN THIS OPPOSITION.

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

THE AMERICAN INDIAN AND ALASKA NATIVE PROGRAMS SPONSORED BY THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ARE NOT AVAILABLE TO OFF-RESERVATION COMMUNITIES, AND THEREFORE NUIC HAS NO COMMENT ON THEIR PROPOSED FUNDING LEVELS FOR F.Y.'83. HOWEVER, THERE ARE TWO HUD PROGRAMS WHICH SOME OFF-RESERVATION GROUPS HAVE HAD SUCCESS IN ACCESSING, THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG), AND THE URBAN DEVELOPMENT ACTION GRANT (UDAG) PROGRAMS. THROUGH A COOPERATIVE AGREEMENT WITH THE NATIONAL URBAN INDIAN COUNCIL, HUD IS ATTEMPTING TO INCREASE THE PARTICIPATION OF OFF-RESERVATION GROUPS IN THESE TWO PROGRAMS. AS A RESULT OF THIS EFFORT, ORGANIZATIONS ASSISTED WILL HAVE BETTER WORKING RELATIONSHIPS WITH CITIES IN WHICH THEY ARE LOCATED, AND WILL HAVE THE OPPORTUNITY TO TAP HERETOFORE UNDER UTILIZED RESOURCES.

THE CDBG AND UDAG PROGRAMS OFFER OFF-RESERVATION COMMUNITIES A FLEXIBLE SOURCE OF SUPPORT FOR THEIR COMMUNITY AND ECONOMIC DEVELOPMENT NEEDS. THEREFORE, THE NATIONAL URBAN INDIAN COUNCIL, IS SUPPORTIVE TO THE ADMINISTRATIONS BUDGETARY REQUESTS FOR THE CDBG AND UDAG PROGRAMS.

INDIAN EDUCATION PROGRAMS - E.D.

AS IT RELATES TO BUDGET ISSUES AFFECTING INDIAN EDUCATION, THE NATIONAL URBAN INDIAN COUNCIL ENDORSES AND SUPPORTS THE POSITION OF THE NATIONAL ADVISORY COUNCIL ON INDIAN EDUCATION AS PRESENTED IN THEIR TESTIMONY AT THESE HEARINGS, AND URGES THE MEMBERS OF THE SENATE SELECT COMMITTEE ON INDIAN AFFAIRS TO ADOPT THEIR RECOMMENDATIONS.